Twenty14

Niagara Region Budget Summary

Niagara Region

On behalf of Corporate Services and the Budget Review Committee, we are pleased to present the 2014 levy, rate and capital budget summaries, approved by Regional Council on December 12, 2013.

This budget summary provides the details of expenditures and revenues by department and program area of service, as well as the resource plan for the delivery of Council business priorities.

The 2014 budget incorporates a number of initiatives and services designed to improve the responsiveness and effectiveness of Niagara Region and support Regional Council's four-year business plan as we head into a fall municipal election. Highlights of this fourth Council term include:

- Investing $220 million to support significant infrastructure projects, including:
  - » $103.0 million to fund water and wastewater treatment, transmission and collection infrastructure, including the construction of the Niagara-on-the-Lake Wastewater Treatment Plant and upgrades to the Welland Water Treatment Plant
  - » $72.9 million for the transportation capital program, including funding for the Burgoyne Bridge,road resurfacing throughout the region and vehicles
  - » $5.2 million for waste management and diversion investments including Public Drop-off Depot and Recycling Centre facility improvements
  - » Proceeding with the court facilities renewal project, establishing new accommodations for Provincial Offences courthouses in Niagara

Description	Levy Budget	Rate Requisitions	Total Operating Budget	Capital Budget	Total Budget
Gross Expenditure	670,252,125	159,396,125	829,648,250	220,025,911	1,049,674,161
Revenue	(357,947,200)	(16,828,176)	(374,775,376)	(50,966,343)	(425,741,719)
Net Total	**312,304,925**	**142,567,949**	**454,872,874**	**169,059,568**	**623,932,442**

- Over $2 million in funding to support economic development initiatives that will support business growth and job creation
- Investing $100,000 to support Agricultural Action Plan initiatives, including a Food and Farming strategy, Local Food and Raw Water action plan
- Maintaining Niagara Emergency Medical Services response time in the 90th percentile
- On-going funding for public health initiatives, including cavity prevention through a dental sealant program for children
- Implementing a new physical health development and nutrition program for all child care operators that service pre-school aged children
- Continue to implement a new 20-bed Convalescent Care program that provides recuperative care to individuals prior to returning home after a hospital stay
- $1.5 million of continued funding to reduce and prevent poverty through the Niagara Prosperity Initiative
- Implementing a ten-year housing and homelessness plan, to address homelessness, sustain existing affordable housing stock and increase the supply of suitable, affordable housing in Niagara
- Updating the Region's long-term Policy Plan, including feedback from over 1,800 resident surveys and comments through the Imagine Niagara campaign
- Co-hosting the 2014 Federation of Canadian Municipalities conference with the City of Niagara Falls
- Support on-going affordability initiatives through the Responsive Region Improvement Team, concentrating on process improvements

On December 12, 2013 Regional Council approved a 2014 tax levy increase of 1.89 per cent after assessment growth. A homeowner with a residence valued at $231,756, will pay an increase of approximately $35 from the 2013 tax levy.

This budget balances prosperity and job creation with sustainable funding considerations for programs and services.

The Regional combined water and wastewater household impact for 2014 is estimated at an average decrease of $2.85. The wholesale variable water rate to the local municipalities is unchanged from 2013. The wholesale fixed water requisition to municipalities increased by 0.08 per cent, while the wholesale fixed wastewater requisition decreased by 0.73 per cent. The waste management impact per household is estimated at an average of $0.07. These annual impacts vary based on the municipality in which you reside.

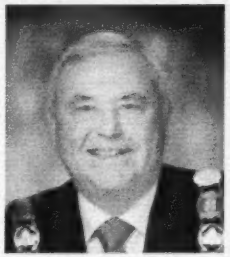
The capital budget is submitted for approval annually and contains planned capital expenditures.

The $220,025,911 capital budget includes several large projects, including the Burgoyne Bridge, construction of the Niagara-on-the-Lake Wastewater Treatment Plant and upgrades to the Welland Water Treatment plant.

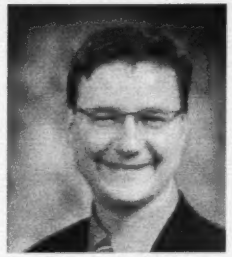
Capital projects and their respective funding sources are provided in the 2014 capital budget summary. In addition, a balanced 10 year capital forecast in the amount of $1,560,572,658 has been proposed and is illustrated in the 2014 capital budget and nine year forecast.

We would like to extend our appreciation for the support offered by staff and Council, and for their dedication to the budget process.

Respectfully Submitted:



Gary Burroughs
Regional Chair

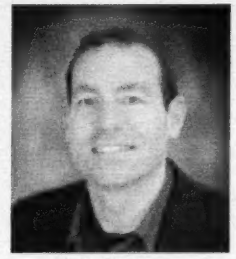


Dave Augustyn
Co-Chair Corporate Services Committee & Chair Budget Review Committee of the Whole

David Barrick
Co-Chair Corporate Services Committee & Vice-Chair Budget Review Committee of the Whole

Harry Schlange
Chief Administrative Officer

Debbie Elliott
Acting Commissioner, Corporate Services



Chris McQueen
Treasurer

Niagara Region received the Government Finance Officers Association of the United States and Canada Distinguished Budget Presentation Award for its annual budget. A recipient must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communications device.

Contents

Niagara Region

About Niagara Region 6
Council Business Plan 2012-2015 7
Corporate Management Team 8
Regional Council and Chair 9
Staff Complement Full Time Equivalents (FTE) 10

2014 Capital and Operating Budget

Guidance Overview 12
2014 Budget Overview 13
2014 Capital Budget Overview 14
2014 Operating Budget Revenue Summary 15
2014 Budget Reconciliation Cash vs. Accruals 17
Multi-Year Budget 18
2014 Operating Summary by Department 19
2014 Capital Summary by Department 21

2014 Financial Strategy

Financial Strategy Overview 27
Long-Term Debt Strategy 28
Annual Repayment Limit Forecast 31
2014 Capital Budget with Nine Year Forecast 31
2014 Reserves and Reserve Fund Forecast 32
Deferred Revenues (Development Charges and Gas Tax Reserve Funds) 34

2014 Operating & Capital Budget Departments, Boards and Agencies

Corporate Administration (CA) 36
Economic Development (ED) 40
Community Services (CS) 42
Corporate Services (CSD) 48
Integrated Community Planning (ICP) 55
Public Health (PH) 61
Public Works (PW) 67
Niagara Peninsula Conservation Authority (NPCA) 82
Niagara Regional Housing (NRH) 84
Niagara Regional Police Services (NRPS) 87
Court Services (POA) 89
General Government (GG) 91
General Government: Net Revenue (NR) 95

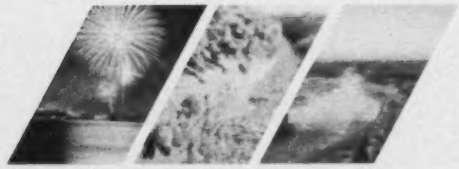
Appendix

Explanation of Object of Expenditure 97
Financial Policies and Guidelines 99

Twenty14

Niagara Region

Niagara Region



About Niagara Region

Niagara is a culturally rich and historically significant region offering its 447,000 residents a mix of urban and rural living. The region boasts a diverse economy that includes manufacturing, tourism, agriculture and agribusiness, transportation and logistics, and emerging sectors such as new media, green technology and bioscience. Located between two Great Lakes, Erie and Ontario, Niagara's many natural features and proximity to Toronto and to the United States, with which it shares a border, continue to shape the region's evolution as a centre of commerce and an international tourism destination.

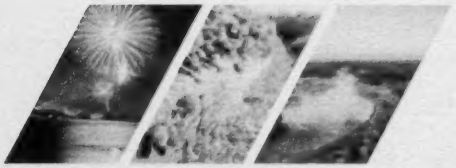
Niagara Region is one of six regional governments in Ontario. On January 1, 1970, under the Regional Municipality of Niagara Act, 26 municipalities were merged into 12 area municipalities and the counties of Lincoln and Welland were transformed into The Regional Municipality of Niagara.

Regional government responsibilities, as delegated by the Province of Ontario, include:

- Policing
- Water and wastewater
- Waste management
- Regional arterial roads
- Public health
- Social assistance
- Long-term care
- Children's services
- Affordable housing
- Paramedic and emergency services
- Economic development
- Planning services
- Conservation and management of natural resources
- Court services (POA)

Regional government operations are overseen by Niagara Regional Council which is composed of 30 elected representatives from 12 area municipalities, plus the Regional Chair. The current Regional Council was elected in October 2010 and the 31 members will serve for a four-year term to November 30, 2014.

Niagara Region



Council Business Plan 2012 - 2015

Providing responsive, effective services to residents is a primary goal of Niagara Region. We are committed to carrying out a business plan focused on building and sustaining a strong, healthy and vibrant region. The 2012 – 2015 Council Business Plan outlines the key objectives Council has set for its term in office. It was developed with input from Council members, residents, community partners, business leaders and area municipalities.

Themes for 2012 - 2015

Responsive Region

Be recognized as an organization that supports effective decision-making, strong partnerships, clear accountability and service excellence

Healthy Community

Support a safe, healthy, diverse, culturally rich community where people of all ages and incomes enjoy a high quality of life

Open for Business

Become a prime destination for investment and encourage the growth of a diversified and sustainable economic base

Environmentally Responsible

Increase the health and sustainability of its physical infrastructure and natural environment for current and future generations

Integrated Transportation System

Work collaboratively with others to strengthen and coordinate the transportation system and services, and support alternative choices for people and goods to move within and beyond the region

Governance Review

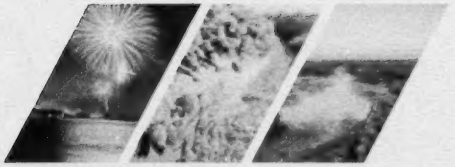
Undertake a governance review to enhance its organizational and decision-making capacity to more effectively and efficiently represent the residents of Niagara

Public Engagement and Communications

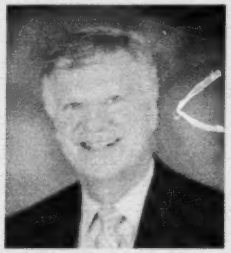
Have a consistent and compelling message to be a great place in which to live, study, work, visit and invest

To view the full plan, which includes key action items, visit www.niagararegion.ca

Niagara Region



Corporate Management Team



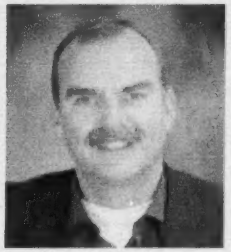
Harry Schlange*
Chief Administrative Officer

Dr. Valerie Jaeger
Medical Officer of Health and Commissioner

Katherine Chislett
Commissioner
Community Services

Debbie Elliott**
Acting Commissioner
Corporate Services

Betty Matthews-Malone***
Acting Commissioner
Public Works



Patrick Robson
Commissioner
Integrated Community Planning

Regional Council Committees

Public Health and Social Services Committee
Brian Baty | Co-Chair
Barbara Greenwood | Co-Chair

Integrated Community Planning Committee
Bill Hodgson | Chair
Selina Volpatti | Vice-Chair

Corporate Services Committee
Dave Augustyn | Co-Chair
David Barrick | Co-Chair

Public Works Committee
Tim Rigby | Chair
Alan Caslin | Vice-Chair

Office of the Chief Administrative Officer

- Corporate Services Department
- Integrated Community Planning Department
- Community Services Department
- Public Health Department
- Public Works Department

Boards and Agencies

Court Services (POA)
Ken Beaman | Chair
Joanne Spriet | Associate Director, Court Services

Niagara Peninsula Conservation Authority
Bruce Timms | Chair
Tony D'Amario | Chief Administrative Officer/ Secretary Treasurer

Police Services Board
Henry D'Angela | Chair
Todd Shoalts | Vice-Chair

Niagara Regional Housing
Shirley Cordiner | Chair
Lora Beckwith | General Manager

Other Supporting Services

Auditors
KPMG LLP

Fiscal Agents
National Bank Financial Inc., RBC Capital Markets, CIBC World Markets Inc

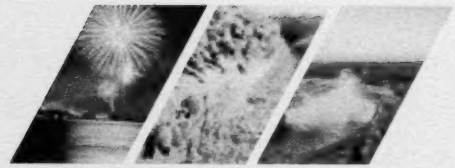
Fiscal Solicitor
Borden Ladner Gervais

Insurance Broker
HUB International Ontario Limited

Banker
The Royal Bank of Canada

** Mike Trojan served as Chief Administrative Officer until June 2013. Patrick Robson and Ken Brothers co-served until October 2013.*
*** Debbie Elliot served as acting Commissioner, Corporate Services until December 2013.*
Maurice Lewis joined the Region as Interim Commissioner, Corporate Services in December 2013.
**** Ken Brothers served as Commissioner, Public Works until October 2013.*

Niagara Region



Regional Council and Chair

Regional Chair | Gary Burroughs

Cities

Niagara Falls
Jim Diodati, Mayor
Barbara Greenwood
Bart Maves
Selina Volpatti

Port Colborne
Vance Badawey, Mayor
David Barrick

Thorold
Ted Luciani, Mayor
Henry D'Angela

St. Catharines
Brian McMullan, Mayor
Alan Caslin
Brian Heit
Ronna Katzman
Andrew Petrowski
Tim Rigby
Bruce Timms

Welland*
Barry Sharpe, Mayor
Daniel Fortier
George Marshall

Towns

Fort Erie
Douglas Martin, Mayor
John Teal

Grimsby
Bob Bentley, Mayor
Debbie Zimmerman

Lincoln
Bill Hodgson, Mayor
Mark Bylsma

Niagara-on-the-Lake
Dave Eke, Lord Mayor
Dave Lepp

Pelham
Dave Augustyn, Mayor
Brian Baty

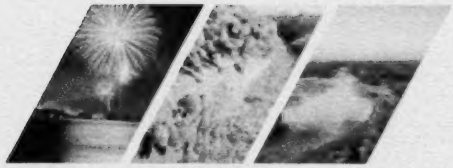
Townships

Wainfleet
April Jeffs, Mayor

West Lincoln
Douglas Joyner, Mayor

** Peter Kormos was elected to Regional Council representing Welland in March 2012. Councillor Kormos passed away March 30, 2013.*

Niagara Region



Staff Complement Full Time Equivalents (FTE)

Regional Departments	2013*	2014
Administration		
Members of Council	-	-
Office of the Regional Chair	3.0	3.0
Chief Administrative Officer	4.0	4.0
Economic Development	6.0	6.0
Sub-Total	**13.0**	**13.0**
Responsive Region Improvement Team	3.0	3.0
Corporate Services Department		
Administrative Services	5.0	5.0
Financial Management & Planning	32.6	32.6
IT Solutions	52.0	52.0
Legal Services	10.0	10.0
Properties Management	43.2	43.2
Human Resources Services	42.7	42.7
Sub-Total	**185.5**	**185.5**
Integrated Community Planning Department (ICP)		
Clerk's Office	21.0	21.0
ICP	32.0	32.0
Sub-Total	**53.0**	**53.0**
Community Services Department		
Commissioner	2.0	2.0
Operational Support Services Division	16.6	16.6
Operational Support Services - Social Housing	5.1	5.6
Social Assistance & Employment Opportunities	215.4	218.4
Children's Services Division	77.9	77.9
Seniors Services Division	813.7	813.7
Housing, Hostels & Homelessness	1.0	1.0
Sub-Total	**1,131.6**	**1,135.1**

Regional Departments	2013*	2014
Public Works Department		
Administrative Services	11.0	11.0
Engineering Services/Transportation	201.6	202.6
Sub-Total	**212.6**	**213.6**
Public Health Department		
General Programs	244.7	244.7
Emergency Services	297.8	299.8
100% Funded Programs	105.6	105.6
Sub-Total	**648.1**	**650.0**
Sub-Total Regional Departments	**2,246.7**	**2,253.2**
Boards and Agencies		
Court Services (POA)	27.0	27.0
Niagara Regional Housing	46.6	51.6
Niagara Peninsula Conservation Authority	53.5	53.5
Niagara Regional Police Services	1,022.0	1,017.0
Sub-Total Boards and Agencies	**1,149.1**	**1,149.1**
Total Tax Supported Programs	**3,395.8**	**3,402.3**
Water Treatment	100.0	100.0
Wastewater Treatment	131.6	132.6
Waste Management	33.6	32.6
Total Rate Supported Programs	**265.2**	**265.2**
Grand Total	**3,661.0**	**3,667.5**

Includes in year budget adjustments

Twenty14

Operating & Capital Budget

2014 Operating and Capital Budget

Guidance Overview

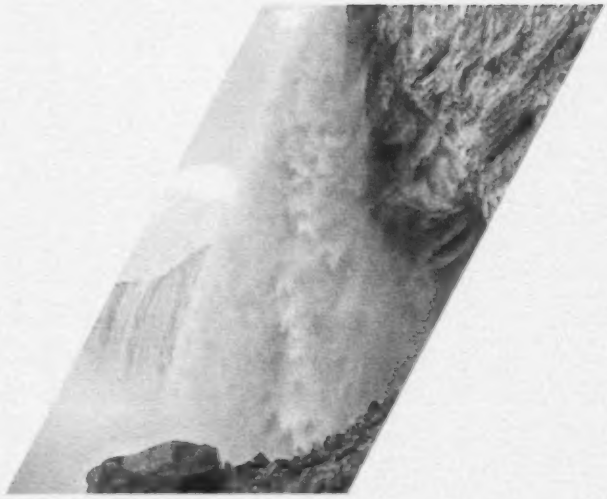
Our guidance policy is based on the premise that outside of best efforts to reduce budgets and minimize the potential of annual increases, a framework is provided that sets a ceiling for annual budgets - tied directly to economic factors in our community.

In our annual and multi-year budgeting, guidance sets a financial target to ensure practical and cautious use of taxpayer dollars. This direction is provided at the beginning of the budget process, typically in early June of each year. Guidance applies to all departments, boards and agencies; however the focus is to ensure Niagara Regional Police Service (NRPS) representing 45.6 per cent of the tax levy, meets the financial target, and that all other Niagara Region departments and boards meet the target in aggregate.

The policy establishes guidance by adding the annual inflation pressures for goods and services (the Niagara Region uses the Bank of Canada's Core Consumer Price Index to estimate), with our forecast assessment growth, in a given year from new properties.

The goal is to ensure that budgets brought forward are considered affordable to the average tax payer.

Refer to the appendix for a full review of all financial policies followed by the Niagara Region.



2014 Operating and Capital Budget

2014 Budget Overview

We use our budget as a means of allocating resources to provide the services and maintain the infrastructure that residents and businesses of the Region depend on.

Our operating budget process begins in March of each year, running through to December. Unlike some other levels of government, our municipal budget year mirrors the calendar year, running from January to December. While the budget is approved in December, final tax rates are not set until the February of the following year, as the Municipal Property Assessment Corporation (MPAC) uses December to finalize property assessments. Historical assessment growth is as follows:

The operating budget provides for the everyday operation of our services. It includes salaries and benefits, the purchase of services from other groups, companies or agencies, along with costs for repairs and maintenance, and materials and supplies. It would be the equivalent of your personal budget for groceries, a morning coffee, lunch and gas for your vehicle.

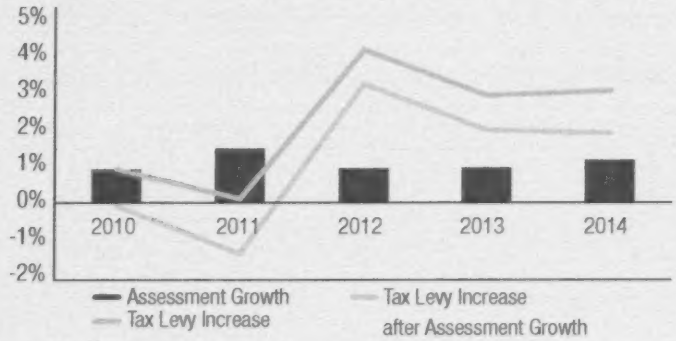
The budget process requires each department, board and agency to review their existing budgets to historical spend. This process is supported by our quarterly variance forecasting. The quarterly reports can be found at: **http://niagararegion.ca/business/finance/default.aspx** In addition to a review of prior spending patterns, adjustments are made for known process improvements and efficiencies, the economic indicators of the community, and business plans of the corporation as set out by Regional Council.

Residents are encouraged to get involved in the budget process, by participating in public engagement activities, including an online survey, face-to-face community dialogue sessions and attending Council meetings.

Department budgets are completed in early September and presented and reviewed by Council over a three month period concluding with approval in December.

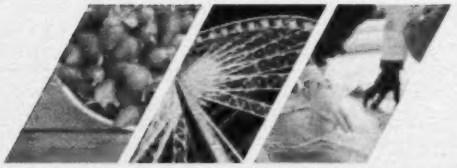
Historical Assessment Growth and Tax Levy Increases

5 Year Average Tax Levy Increase After Assessment Growth - 1.13%



*The 2014 assessment growth is an estimate as of December 2013.

2014 Operating and Capital Budget



2014 Capital Budget Overview

Our capital budget adheres to the same timeframe as our operating budget, with a common goal of balancing our immediate and future needs with affordability. Capital projects and assets include such things as vehicles, roads, bridges, water lines, buildings, software systems and equipment. In your personal financing, it would be the equivalent of the purchase of large items such as a house or car when you may not have the available cash to buy the product outright, and often have the need to finance these purchases through other means (such as a mortgage, or loan).

Similarly, at the Region we use various forms of financing to support our capital plan, including debt financing, dollars from other levels of government, reserves (accumulated from previous planning), the levy (current year taxes), etc.

At the Region debt financing is proposed in an extremely conservative manner, with no more than 11 cents of every revenue dollar spent on financing debt from capital projects.

The bulk of our capital spend occurs in our Public Works area (transportation, water and wastewater divisions), and to a smaller extent in Corporate Services (properties and information technology), Community Services (seniors homes) and Public Health (emergency medical services).

To create our capital budget, we rely on a number of key pieces of information, most importantly a current inventory of our capital assets and the condition of those assets. In addition, we create multi-year plans (See Capital Budget Visualization Tool - **www.niagararegion.ca/government/budget/capital-budget-mapping-tool.aspx)** to support our future needs based on forecasted residential and business growth and our finance plans to support those projects.

We rely on five key areas when evaluating when, where and if capital projects need to move forward. These are based on the business case for each project, which highlights whether its need is based on risk, sustainability, growth, enhancement or compliance.

With this information, Council makes informed decisions, approving the capital budget in December of each year.

2014 Operating and Capital Budget

2014 Operating Budget Revenue Summary

Description		2013* Budget $	2014 Budget $	Change $
Taxation -Levy		(318,942,420)	(328,526,857)	(9,584,437)
Taxation -Rate		(142,618,218)	(142,567,949)	50,269
Ontario/Canada Grants		(238,615,402)	(255,407,646)	(16,792,244)
Fees & Service Charges		(38,180,575)	(38,767,421)	(586,846)
Other Revenue		(57,469,854)	(56,475,233)	994,621
Transfers from Reserves & Reserve Funds		(7,001,956)	(7,903,144)	(901,188)
Total Revenue		**(802,828,425)**	**(829,648,250)**	**(26,819,825)**
REVENUE SUMMARY DETAIL				
Taxation -Levy	Levy	(303,105,214)	(312,304,925)	(9,199,711)
	Payment in Lieu	(11,622,206)	(12,005,060)	(382,854)
	Supplemental	(4,215,000)	(4,216,872)	(1,872)
		(318,942,420)	**(328,526,857)**	**(9,584,437)**
Taxation -Rate	Wastewater	(65,405,802)	(64,928,122)	477,680
	Water	(42,261,382)	(42,294,019)	(32,637)
	Waste	(34,951,034)	(35,345,808)	(394,774)
		(142,618,218)	**(142,567,949)**	**50,269**
Ontario/Canada Grants	Community Services	(125,275,706)	(136,762,099)	(11,486,393)
	Community Services -Homes	(50,466,788)	(52,506,635)	(2,039,847)
	Corporate Services	(12,500)	-	12,500
	Emergency Services	(21,656,114)	(22,519,740)	(863,626)
	Niagara Regional Housing	(2,364,900)	(2,217,440)	147,460
	Police Service	(5,152,823)	(5,971,132)	(818,309)
	Public Health	(29,763,653)	(30,518,814)	(755,161)
	Public Works	(546,203)	(821,936)	(275,733)
	Waste Management	(3,376,715)	(4,089,850)	(713,135)
		(238,615,402)	**(255,407,646)**	**(16,792,244)**
Fees & Service Charges	Community Services	(23,003,734)	(23,243,915)	(240,181)
	Corporate Services	(145,101)	(92,500)	52,601
	Emergency Services	-	(2,004)	(2,004)
	Integrated Community Planning	(81,000)	(81,000)	-
	Police Service	(6,538,767)	(7,023,988)	(485,221)

*Includes in year budget adjustments

2014 Operating and Capital Budget

2014 Operating Budget Revenue Summary Cont'd

REVENUE SUMMARY DETAIL		2013* Budget $	2014 Budget $	Change $
Fees & Service Charges	Public Health	(353,000)	(397,000)	(44,000)
	Public Works	(3,114,600)	(3,181,100)	(66,500)
	Waste Management	(3,488,092)	(3,102,875)	385,217
	Water & Wastewater	(1,456,281)	(1,643,039)	(186,758)
		(38,180,575)	**(38,767,421)**	**(586,846)**
Other Revenue	Proceeds on the Disposal of Capital Assets	(548,000)	(490,000)	58,000
	Proceeds on Rent, Concessions and Franchises	(351,145)	(365,255)	(14,110)
	Investment Income	(11,832,333)	(12,419,795)	(587,462)
	Waste Management Revenue	(9,520,243)	(7,230,412)	2,289,831
	Court Services (POA)	(8,825,603)	(9,035,207)	(209,604)
	Niagara Regional Housing Revenue	(22,597,503)	(23,348,539)	(751,036)
	Other	(2,012,734)	(1,867,993)	144,741
	Fare Revenue	(638,400)	(613,000)	25,400
	Police Secondments Revenue	(1,143,893)	(1,105,032)	38,861
		(57,469,854)	**(56,475,233)**	**994,621**
Transfers from Reserves & Reserve Funds	Community Services	(1,850,524)	(1,261,904)	588,620
	Corporate Services	(121,850)	(128,215)	(6,365)
	Integrated Community Planning	(126,915)	(207,222)	(80,307)
	Economic Development	(150,000)		150,000
	Niagara Peninsula Conservation Authority	(300,000)	(300,000)	-
	Niagara Regional Housing	(95,000)	(89,000)	6,000
	1812 Legacy Council	(100,000)	(750,000)	(650,000)
	Corporate Employee Recognition Team (CERT)	(15,000)	(15,000)	-
	Sick Leaves	(250,000)	(250,000)	-
	Taxpayer Relief	(1,725,000)	(1,724,900)	100
	Investment Income	(492,667)	(482,024)	10,643
	Investment Income Stabilization	(400,000)	(373,301)	26,699
	Police Service	(575,000)	(700,000)	(125,000)
	Public Health	-	(171,578)	(171,578)
	Public Works	(800,000)	(700,000)	100,000
	Water & Wastewater		(750,000)	(750,000)
		(7,001,956)	**(7,903,144)**	**(901,188)**
	Total Revenue	**(802,828,425)**	**(829,648,250)**	**(26,819,825)**

*Includes in year budget adjustments

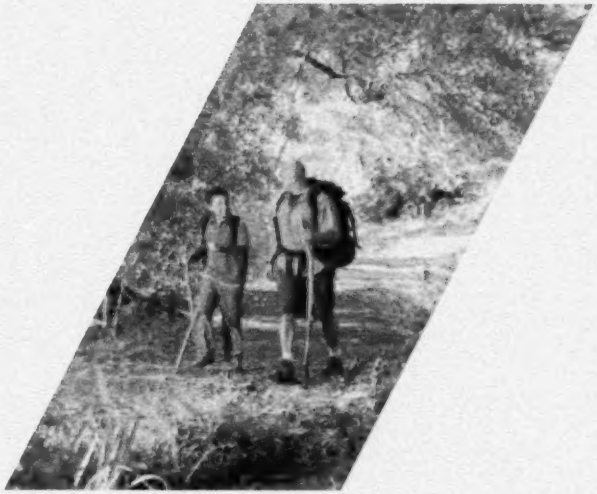
2014 Operating and Capital Budget

2014 Budget Reconciliation Cash vs. Accruals

	2013* Budget $	2014 Budget $	Change
Revenue:			
Taxation - Levy	318,942,420	328,526,857	9,584,437
Taxation - Rate	142,618,218	142,567,949	(50,269)
Ontario/Canada Grants	238,615,402	255,407,646	16,792,244
Fees & Service Charges	38,180,575	38,767,421	586,846
Other Revenue	57,469,854	56,475,233	(994,621)
Transfers to/from Reserves & Reserve Funds	7,001,956	8,128,144	1,126,188
Total Revenue	**802,828,425**	**829,873,250**	**27,044,825**
Expense:			
Departments	394,362,943	411,862,584	17,499,641
Niagara Regional Police Services	151,491,743	157,863,110	6,371,367
Boards & Agencies	68,881,724	71,500,048	2,618,324
General Government	27,604,966	29,251,383	1,646,417
Rate Programs	160,487,049	159,396,125	(1,090,924)
Total Expense	**802,828,425**	**829,873,250**	**27,044,825**
Net Surplus/(Deficit)	-	-	-
Public Sector Accounting Board (PSAB) Reporting Requirements			
Capital Program Funding earned in year	117,225,000	139,830,000	22,605,000
Capital Projects not resulting in tangible capital assets	(10,000,000)	(12,223,000)	(2,223,000)
Amortization	(64,000,000)	(69,048,000)	(5,048,000)
Principal Debt Repayment	25,479,000	23,727,000	(1,752,000)
Landfill Liability decrease	1,300,000	500,000	(800,000)
Employee future benefits increase	(4,300,000)	(4,200,000)	100,000
Net PSAB Surplus	**65,704,000**	**78,586,000**	**12,882,000**

** Includes in year budget adjustments*

The Niagara Region, like most municipalities, does not budget for amortization and its annual impact on tangible capital assets, changes in the employee future benefit liabilities, and changes in the solid waste landfill closure and post closure costs liability. These items are required to show the Niagara Region's net financial position for Public Sector Accounting Board (PSAB) reporting purposes, but are mostly non-cash items and therefore not included in the operating budget presented. As demonstrated by the nil net surplus/(deficit) the operating budget prepared and presented includes all cash required by the Niagara Region to fulfill its in year obligations and provide service in year. In accordance with Ontario Regulation 284/09 the Niagara Region must report to Council the impact of non-budgeted items on the 2014 budget during the budget process. For the 2014 budget cycle this was presented in report CSD117-2013. If these non-budgeted items were included in the annual operating budget it would result in an estimated net surplus of $78.6 million in 2014.



2014 Operating and Capital Budget

Multi-Year Levy Budget Summary

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Multi Year Budget $	2016 Multi Year Budget $
Personnel Costs	308,191,646	320,289,199	328,485,273	336,311,729
Personnel Costs	321,278,415	334,122,448	342,308,614	350,283,931
Administrative Expenses	6,797,881	6,684,380	6,748,467	6,858,145
Materials, Supplies & Utilities	29,849,604	30,238,893	31,446,661	32,645,855
Repairs & Maintenance	10,308,627	10,712,265	10,989,951	11,295,668
Purch. Serv. & Other Operating Exp.	76,925,568	79,589,018	80,214,948	81,280,948
Social Assistance	98,641,329	106,890,082	110,886,021	115,051,733
Financial Expenditures	55,376,514	53,165,403	52,951,182	53,847,383
Capital Equipment & Renovations	1,583,451	1,492,872	1,548,599	1,575,711
Housing Provider Subsidy & Supplements	28,649,595	29,223,771	27,954,392	28,037,435
Transfers to Reserves & Reserve Funds	33,057,204	38,635,088	41,881,599	44,193,688
Allocations Between Departments	(2,117,488)	(2,177,487)	(2,239,679)	(2,292,322)
Allocations Within Departments	(1,118,032)	(1,158,728)	(1,179,737)	(1,199,081)
Allocations to Capital Program	(1,149,500)	(1,957,644)	(2,303,618)	(2,342,881)
Gross Expenditure	**658,083,168**	**685,460,361**	**701,207,400**	**719,236,213**
Taxation - Levy	(15,837,206)	(16,221,932)	(16,221,932)	(16,221,932)
Ontario/Canada Grants	(235,238,687)	(251,317,796)	(259,754,040)	(269,481,957)
Fees & Service Charges	(33,236,202)	(34,021,507)	(34,450,614)	(34,886,677)
Other Revenue	(47,922,111)	(49,232,821)	(49,232,283)	(49,496,798)
Transfers from Reserves & Reserve Funds	(7,001,956)	(7,153,144)	(3,513,227)	(3,209,076)
Gross Revenue	**(339,236,162)**	**(357,947,200)**	**(363,172,096)**	**(373,296,440)**
Net Direct Expenditure before Indirect Allocation	**318,847,006**	**327,513,161**	**338,035,304**	**345,939,773**
Indirect Allocation	(4,218,666)	(3,954,582)	(4,036,509)	(4,145,597)
Debt Allocation	(11,523,126)	(11,253,654)	(12,616,471)	(11,109,439)
Net Indirect Allocation	**(15,741,792)**	**(15,208,236)**	**(16,652,980)**	**(15,255,036)**
Net Expenditure/(Revenue) after Indirect Allocation	**303,105,214**	**312,304,925**	**321,382,324**	**330,684,737**
Tax Levy		**3.04%**	**2.91%**	**2.89%**
Estimated Assessment Growth **		**1.15%**		
Tax Levy After Assessment Growth		**1.89%**		

**Includes in year budget adjustments*

*** The 2014 assessment growth is an estimate as of December 12, 2013.*

2014 Operating and Capital Budget

2014 Operating Summary by Department

Description	2013* Gross Expenditure $	2013* Revenue $	2013* Net Expenditure $	2014 Gross Expenditure $	2014 Revenue $	2014 Net Expenditure $	2014 Gross Change $	2014 Gross Change %	2014 Net Change $	2014 Net Change %
Corporate Administration	2,667,583	(23,000)	2,644,583	2,731,021	(20,000)	2,711,021	63,438	2.38%	66,438	2.51%
Community Services	245,065,600	(200,939,994)	44,125,606	257,566,954	(214,118,488)	43,448,466	12,501,354	5.10%	(677,140)	-1.53%
Corporate Services	843,217	(843,217)	-	787,438	(787,438)	-	(55,779)	(0)	-	
Economic Development	2,207,372	(150,000)	2,057,372	2,067,109		2,067,109	(140,263)	-6.35%	9,737	0.47%
Integrated Community Planning	7,826,268	(317,915)	7,508,353	8,067,359	(398,222)	7,669,137	241,091	3.08%	160,784	2.14%
Public Health: Health Programs	42,110,069	(30,614,425)	11,495,644	42,244,498	(31,305,393)	10,939,105	134,429	0.32%	(556,539)	-4.84%
Public Health: Emergency Services	39,064,557	(21,676,114)	17,388,443	40,616,839	(22,635,309)	17,981,530	1,552,282	3.97%	593,087	3.41%
Public Works	54,578,277	(5,297,203)	49,281,074	57,781,366	(5,469,536)	52,311,830	3,203,089	5.87%	3,030,756	6.15%
Regional Departments	**394,362,943**	**(259,861,868)**	**134,501,075**	**411,862,584**	**(274,734,386)**	**137,128,198**	**17,499,641**	**4.44%**	**2,627,123**	**1.95%**
Niagara Regional Polic Services	150,054,813	(14,017,536)	136,037,277	156,201,180	(15,389,205)	140,811,975	6,146,367	4.10%	4,774,698	3.51%
Niagara Regional Police Services - Interim Facilities	1,436,930	-	1,436,930	1,436,930	-	1,436,930	-	0.00%	-	0.00%
Niagara Regional Police Services	**151,491,743**	**(14,017,536)**	**137,474,207**	**157,638,110**	**(15,389,205)**	**142,248,905**	**6,146,367**	**4.06%**	**4,774,698**	**3.47%**
Court Services (POA)	7,825,603	(8,825,603)	(1,000,000)	8,010,207	(9,035,207)	(1,025,000)	184,604	2.36%	(25,000)	2.50%
Niagara Regional Housing	53,906,684	(25,022,941)	28,883,743	56,093,375	(25,619,824)	30,473,551	2,186,691	4.06%	1,589,808	5.50%
Niagara Peninsula Conservation Authority	7,149,437	(402,708)	6,746,729	7,396,466	(469,626)	6,926,840	247,029	3.46%	180,111	2.67%
Outside Boards & Agencies	**68,881,724**	**(34,251,252)**	**34,630,472**	**71,500,048**	**(35,124,657)**	**36,375,391**	**2,618,324**	**3.80%**	**1,744,919**	**5.04%**
Property Assessment	6,064,054	-	6,064,054	5,894,249		5,894,249	(169,805)	-2.80%	(169,805)	2.80%
911 Emergency Phone	1,240,540	-	1,240,540	1,329,157		1,329,157	88,617	7.14%	88,617	7.14%
Regional Programs & NHS Facility	1,041,750	(100,000)	941,750	2,041,750	(750,000)	1,291,750	1,000,000	95.99%	350,000	37.16%
Responsive Region	644,031	-	644,031	669,179	-	669,179	25,148	3.90%	25,148	3.90%
General Expenses	2,052,929	(718,300)	1,334,629	1,844,888	(727,000)	1,117,888	(208,041)	-10.13%	(216,741)	-16.24%
Retired/Long Term Disability Employee Benefits	437,500		437,500	481,000		481,000	43,500	9.94%	43,500	9.94%
Debt Charges	-		-	-		-	-	0.00%	-	0.00%
Capital Levy	9,249,162		9,249,162	9,498,889		9,498,889	249,727	2.70%	249,727	2.70%
General Government	**20,729,966**	**(818,300)**	**19,911,666**	**21,759,112**	**(1,477,000)**	**20,282,112**	**1,029,146**	**4.96%**	**370,446**	**1.86%**
	635,466,376	**(308,948,956)**	**326,517,420**	**662,759,854**	**(326,725,248)**	**336,034,606**	**27,293,478**	**4.30%**	**9,517,186**	**2.91%**

*Includes in year budget adjustments

Continued on next page

2014 Operating and Capital Budget

2014 Operating Summary by Department Cont'd

Description	2013* Gross Expenditure $	2013* Revenue $	2013* Net Expenditure $	2014 Gross Expenditure $	2014 Revenue $	2014 Net Expenditure $	2014 Gross Change $	2014 Gross Change %	2014 Net Change $	2014 Net Change %
Payments in Lieu	-	(11,622,206)	(11,622,206)	-	(12,005,060)	(12,005,060)	-	0.00%	(382,854)	3.29%
Tax Revenue - Supp Taxes	-	(4,215,000)	(4,215,000)	-	(4,216,872)	(4,216,872)	-	0.00%	(1,872)	0.04%
Tax Revenue - Written Off	5,287,857	-	5,287,857	5,287,857	-	5,287,857	-	0.00%	-	0.00%
Tax Rebates	587,143	-	587,143	604,414	-	604,414	17,271	2.94%	17,271	2.94%
Taxpayer Relief Reserve	-	(1,725,000)	(1,725,000)	-	(1,724,900)	(1,724,900)	-	0.00%	100	0.00%
Investment Income	1,000,000	(12,725,000)	(11,725,000)	1,600,000	(13,275,120)	(11,675,120)	600,000	0.00%	49,880	-0.43%
Other Funding	**6,875,000**	**(30,287,206)**	**(23,412,206)**	**7,492,271**	**(31,221,952)**	**(23,729,681)**	**617,271**	**8.98%**	**(317,475)**	**1.36%**
	642,341,376	**(339,236,162)**	**303,105,214**	**670,252,125**	**(357,947,200)**	**312,304,925**	**27,910,749**	**4.35%**	**9,199,711**	**3.04%**
Estimated Assessment Growth										1.15%
Net Tax Levy										**1.89%**
Self Supporting (SS) Requisitions										
SS Wastewater	66,446,402	(1,040,096)	65,406,306	66,193,072	(1,264,950)	64,928,122	(253,330)	-0.38%	(478,184)	-0.73%
SS Water	42,704,563	(443,686)	42,260,877	43,434,108	(1,140,089)	42,294,019	729,545	1.71%	33,142	0.08%
SS Waste	51,336,084	(16,385,050)	34,951,034	49,768,945	(14,423,137)	35,345,808	(1,567,139)	-3.05%	394,774	1.13%
	160,487,049	**(17,868,832)**	**142,618,217**	**159,396,125**	**(16,828,176)**	**142,567,949**	**(1,090,924)**	**-0.68%**	**(50,268)**	**-0.04%**
	802,828,425	**(357,104,994)**	**445,723,431**	**829,648,250**	**(374,775,376)**	**454,872,874**	**26,819,825**	**3.34%**	**9,149,443**	**2.05%**

*Includes in year budget adjustments

2014 Operating and Capital Budget

2014 Capital Summary by Department

Project ID	Project Name	Gross Capital Request	Capital Levy Reserves	Debt	Proposed Debt Term (Years)	Reserves	Development Charges	Area Municipality	Federal Gas Tax	Other External
Project ID		FINANCING SOURCES								
General Government										
ZGG1401	Emergency Capital Levy Program	1,000,000	1,000,000							
	General Government Total	**1,000,000**	**1,000,000**							
Information Technology (IT) Solutions										
ZGC1402	IT Asset Replacement	1,300,000	1,300,000							
ZGC1403	IT Applications Replacement/Enhancements	365,000	325,000				40,000			
	IT Solutions Total	**1,665,000**	**1,625,000**				**40,000**			
Properties Management										
ZGD1107	Provincial Offences Act Facilities renewal	16,000,000		12,350,000	30	3,650,000				
ZGD1404	Regional Building Improvement Program	2,467,000	2,467,000							
ZGD1408	Northland Pointe siding replacement	3,900,000		3,900,000	10					
ZGD1409	Embankment & Slope Stabilization	850,000	350,000			500,000				
	Properties Management Total	**23,217,000**	**2,817,000**	**16,250,000**		**4,150,000**				
Community Services										
ZSC1406	Bed Replacement	450,000	450,000							
ZSC1407	Capital Improvements/Replacements	335,000	335,000							
ZSC1409	Machinery/Equipment	553,750	553,750							
ZSC1410	Resident Care Equipment	250,000	250,000							
	Community Services Total	**1,588,750**	**1,588,750**							
Public Health & Emergency Medical Services (EMS)										
ZGR1402	Ambulance and Equipment Replacement	2,475,412		2,475,412	5					
	Public Health & EMS Total	**2,475,412**		**2,475,412**						
Fleet										
ZSS1402	Vehicle & Equipment Replacement Program	2,673,000				2,673,000				
	Fleet Total	**2,673,000**				**2,673,000**				

2014 Operating and Capital Budget

2014 Capital Summary by Department Cont'd

Project ID	Project Name	Gross Capital Request	Capital Levy Reserves	Debt	Proposed Debt Term (Years)	Reserves	Development Charges	Area Municipality	Federal Gas Tax	Other External
Project ID		FINANCING SOURCES								
Transportation										
ZRC0236	Roads Rehabilitation (Rds Rehab) - St. Paul St. W. - Realignment & River Crossing from Ninth St. to Seventh St	650,000	650,000							
ZRC0634	Struc Rehab - Reece Bridge - Bridge Replacement over 20 Mile Creek (Structure 069205)	500,000	500,000							
ZRC0803	Rds Rehab - Glendale Ave. reconstruction & widening from Jacobsen Ave. to Burleigh Hill	300,000	180,000				120,000			
ZRC0812	Rds Rehab - Canboro Rd - Embankment stabilization @ Warner	750,000		750,000	30					
ZRC0933	Capacity Improvement (Cpcty. Imprv.) - McLeod Rd widening 4 to 5 lane from Phase 2 - HEPC to Wilson Crescent	350,000	52,500				297,500			
ZRC0934	Rds Rehab - Mountain Rd. reconstruction from Hill Side to King St.	1,000,000		840,000	30		160,000			
ZRC0943	Rds Rehab - Portage Rd. reconstruction from Mountain Rd. to Stanley Ave.	2,100,000		500,000	30			200,000	1,400,000	
ZRC0944	Struc Rehab - Burgoyne Bridge - Replacement over Hwy 406 & 12 Mile Creek (Structure 081220)	25,500,000	8,558,941	5,679,059	30		2,412,000	1,000,000	7,850,000	
ZRC1003	Rds Rehab - Main St. reconstruction from Phase 2 Third St. to Henley	2,650,000		1,845,000	30		205,000	600,000		
ZRC1012	Rds Rehab - Old Hwy 20 reconstruction from Lookout to Haist	4,000,000		2,550,000	30		850,000	600,000		
ZRC1247	Struc Rehab - Ontario Power Generation Bridges Replacement / bridge divesture over Gibson Lake (Structure 067205 & Structure 050215)	2,700,000								2,700,000
ZRC1346	Intersection Improvement (Int. Imprv.) - Regional Road 20 Between Industrial Park Road & South Grimsby Rd 6	750,000	750,000							
ZRC1352	Rds Rehab - Lakeshore Rd. Phase 2 - reconstruction from Lakeport to Lake St.	3,200,000		1,900,000	30		1,000,000	300,000		
ZRC1354	Rds Rehab - Lakeshore Rd. W. reconstruction from Third St. to Seventh St.	1,000,000		534,000	30				466,000	
ZRC1356	Rds Rehab - St. David's Rd. operational Improvements & Bike Lanes from Merrittville Hwy to Hwy 406	3,500,000		1,860,000	30		1,240,000	400,000		

2014 Operating and Capital Budget

2014 Capital Summary by Department Cont'd

Project ID	Project Name	Gross Capital Request	Capital Levy Reserves	Debt	Proposed Debt Term (Years)	Reserves	Development Charges	Area Municipality	Federal Gas Tax	Other External
Project ID					FINANCING SOURCES					
Transportation Cont'd										
ZRC1358	Struc Rehab - Main St. Bridge (Structure. 027220) Painting over abandoned Welland Canal	5,800,000		1,658,305	30	141,695			4,000,000	
ZRC1433	Annual - Development Related Projects	1,000,000								1,000,000
ZRC1434	Annual - Engineering for future projects	200,000	200,000							
ZRC1435	Annual - Guide Rail Improvement Program	350,000	350,000							
ZRC1436	Annual - Illumination Installation	300,000	300,000							
ZRC1437	Annual - Major Culvert Replacement Program	50,000	50,000							
ZRC1438	Annual - Miscellaneous Road Properties	200,000	200,000							
ZRC1439	Annual - Railway Crossing Improvement	50,000	50,000							
ZRC1440	Annual - Sign Processing Equipment	30,000	30,000							
ZRC1441	Annual - Storm Sewer Program	400,000	400,000							
ZRC1442	Roads Equipment Program - Equipment Replacement Upgrades	100,000				100,000				
ZRC1443	Rds Rehab - Roads Resurfacing Program	5,100,000		5,100,000	30					
ZRC1447	Rds Rehab - Pelham Rd. Phase 2 reconstruction from Effingham Rd. to Wessel Dr.	800,000		720,000	30		80,000			
ZRC1448	Rds Rehab - York Rd. rehabilitation from RR55 to Airport	250,000	250,000							
ZRC1453	Int. Imprv. - Falls Ave / Bender Intersection Improvements (Cost Sharing)	900,000	533,000	367,000	10					
ZRC1460	Struc Rehab - Calton & Lakeshore Rd. Bridges over 8 Mi Crk & over 2 Mi Crk - New Structure / Rehab (Structures 083210 & 087230)	1,200,000		450,000	30				750,000	
ZRC1462	Cpcty. Imprv. - Glendale Ave. Widening 2 to 4 lanes from Homer Rd. to Niagara on the Green Blvd.	500,000	75,000				425,000			
ZRC1464	Int. Imprv. - Lundy's Lane @ Garner	800,000	400,000				400,000			
ZRC1465	Rds Rehab - Taylor Rd. & Glendale Rd. (NOTL Outlet Centre)	700,000		700,000	30					
ZRC1466	Struc Rehab - Structural Rehabilitation Program Engineering (Region wide)	200,000	200,000							
ZRC1467	Struc Rehab - Glenridge Ave. Bridge Over CNR Tracks - Rehabilitation (Structure 050220)	750,000	750,000							
ZRT1403	Annual - Traffic Signal Program (Signal Rehab 1.2M, New Signals 450K, Beacons 40K)	1,690,000		1,690,000	10					
	Transportation Total	**70,320,000**	**14,479,441**	**27,143,364**		**241,695**	**7,189,500**	**3,100,000**	**14,466,000**	**3,700,000**

2014 Operating and Capital Budget

2014 Capital Summary by Department Cont'd

Project ID	Project Name	Gross Capital Request	Capital Levy Reserves	Debt	Proposed Debt Term (Years)	Reserves	Development Charges	Area Municipality	Federal Gas Tax	Other External
Project ID		FINANCING SOURCES								
Integrated Community Planning										
ZPL1401	Lakefront Enhancement Strategy Implementation	1,000,000		1,000,000	30					
	Integrated Community Planning Total	**1,000,000**		**1,000,000**						
Niagara Regional Housing										
ZRH1402	Building Capital	2,098,157		1,435,511	10	145,808				516,838
ZRH1403	Emergency Capital	200,000				200,000				
ZRH1404	Grounds Capital	721,600		696,242	10	25,358				
ZRH1405	Units Capital	1,460,415		797,769	10	145,808				516,838
	Niagara Regional Housing Total	**4,480,172**		**2,929,522**		**516,974**				**1,033,676**
Niagara Regional Police Service										
ZPO1401	Vehicles	1,400,000				1,400,000				
ZPO1406	911 Generation	250,000				250,000				
ZPO1407	Conducted Energy Weapons Launch	670,000		670,000	10					
ZPO1408	Capital Asset Acquisitions	126,577				126,577				
ZPO1409	IT Equipment Replacement	900,000				900,000				
ZPO1410	Network Infrastructure	100,000				100,000				
	Niagara Regional Police Service Total	**3,446,577**		**670,000**		**2,776,577**				
Waste Management										
ZGL0903	Humberstone - Landfill Gas Collection System	100,000				100,000				
ZGL1318	Bridge Street - Public Drop Off Depot Improvements	1,245,000				1,245,000				
ZGL1325	Quarry Road - Site Improvements	50,000				50,000				
ZGL1409	Annual Programs - Leachate Seep Remediation	50,000				50,000				
ZGL1411	Annual Programs - Property Acquisition	200,000				200,000				
ZGL1412	Annual Programs - Well Installation/Removal	100,000				100,000				
ZGL1415	Recycling Centre - Facility Improvements	1,205,000				1,205,000				
ZGL1416	Centre Street - Leash Free Dog Park	85,000				85,000				
ZGL1417	Glenridge Quarry - Odour Control Facility (OCF) Decommissioning	30,000				30,000				
ZGL1418	Maintenance management system (MMS)	200,000				200,000				
ZGL1419	Mountain Road - Closure Plan (including End Use Concept)	20,000				20,000				
ZGL1420	NR12 - Pumping Station Upgrades	400,000				400,000				
ZGL1421	Municipal Hazardous and Special Waste facility	1,500,000				1,500,000				
	Waste Management Total	**5,185,000**				**5,185,000**				

2014 Operating and Capital Budget

2014 Capital Summary by Department Cont'd

Project ID	Project Name	Gross Capital Request	Capital Levy Reserves	Debt	Proposed Debt Term (Years)	Reserves	Development Charges	Area Municipality	Federal Gas Tax	Other External
Project ID			FINANCING SOURCES							
Water										
ZCW1304	Miscellaneous Program (Misc Prgm) - Port Colborne Storage	4,730,000				2,838,000	1,892,000			
ZCW1401	Misc Prgm - Centralized Maintenance Facility & Emergency Operations Centre	500,000				500,000				
ZCW1406	Water Treatment Plant (WTP) Upgrade Program - Welland WTP upgrade	27,000,000				27,000,000				
ZCW1407	Misc Prgm - Chemical System Upgrade Program	350,000				350,000				
ZCW1408	Watermain Program (WM Prgm) - Welland WTP Watermains - West Side and East Side	200,000				200,000				
ZCW1409	WTP Upgrade Program - Decew WTP Distribution Feed Upgrade	100,000				100,000				
ZCW1410	Misc Prgm - Reservoir & Storage Program	250,000				250,000				
ZCW1411	WTP Upgrade Program - Roof replacement program at Water facilities	2,500,000				2,500,000				
ZCW1412	WM Prgm - Watermain Evaluation and Replacement Program	275,000				275,000				
	Water Total	**35,905,000**				**34,013,000**	**1,892,000**			
Wastewater										
ZSW0115	Sewer & Forcemain Program - Stevensville Sewage Pump Station Forcemain	1,500,000				1,500,000				
ZSW0807	Wastewater Treatment Plant (WWTP) Capacity Expansion - NOTL Wastewater Servicing WWTP Capacity Expansion	43,000,000				10,388,333	3,945,000			28,666,667
ZSW1403	Misc Prgm - Centralized Maintenance Facility	500,000				500,000				
ZSW1404	Misc Prgm - Permanent Flow Meters in Sewers	225,000				225,000				
ZSW1405	Misc Prgm - Roof Replacement Program	250,000				250,000				
ZSW1406	Pumping Station Improvement Program	13,000,000				11,012,000	1,988,000			
ZSW1409	Sewer Relining Program	1,025,000				1,025,000				
ZSW1410	Wet Weather Flow/Combined Sewer Operations Control Program	5,300,000				4,490,000	810,000			
ZSW1414	Misc Prgm - Lab Equipment Upgrade	20,000				20,000				
ZSW1415	Sewer & Forcemain Prgm - Sewer and Forcemain Program	2,250,000				1,218,000	1,032,000			
	Wastewater Total	**67,070,000**				**30,628,333**	**7,775,000**			**28,666,667**
	Grand Total	**220,025,911**	**21,510,191**	**50,468,298**		**80,184,579**	**16,896,500**	**3,100,000**	**14,466,000**	**33,400,343**

Twenty14

Financial Strategy

2014 Financial Strategy

Financial Strategy Overview

Sound financial management and planning are key elements in the Niagara Region's mandate to provide cost-effective and sustainable programs and services for residents. Financial strategies are developed to achieve the business goals of the organization, and provide Regional Council and staff with high quality information necessary to establish metrics and measures to base sound fiscal decisions.

The Region's financial strategy is based on the following policies and guidelines:

Guidance Affordability Policy

In our annual and multi-year budgeting, the guidance policy sets a financial target to ensure practical and cautious use of taxpayer dollars. The guidance policy is based on the premise that outside of best efforts to reduce budgets and minimize the potential of annual increases, a framework is provided that sets a ceiling for annual budgets - tied directly to economic factors in our community.

The policy establishes guidance by adding the annual inflation pressures for goods and services (the Niagara Region uses the Bank of Canada's Core Consumer Price Index to estimate), with our forecast assessment growth, in a given year from new properties.

Standard & Poor's (S&P) Rating:

S&P's credit rating is fundamental to our long-term strategy planning, in that it determines the ability of the Niagara Region to meet its financial commitments. The Region uses the rating provided by S&P and identified trends to inform its long-term debt strategies.

Capital Program Funding Model:

Various forms of financing are used to support our capital plan, including debt financing, dollars from other levels of government, reserves (accumulated from previous planning), the levy (current year taxes), etc. Debt financing is proposed in an extremely conservative manner, with no more than 11 cents of every revenue dollar spent on financing debt from capital projects.

Reserves and Reserve Fund Policy:

The use of reserves is an integral part of the budget planning process and an important financial tool in developing short and long-term fiscal policies. Prudent use of reserves helps mitigate fluctuations in taxation and rate requirements and assists in funding capital projects.

Refer to the appendix for a full review of all financial policies followed by the Niagara Region.

2014 Financial Strategy

Long-Term Debt Strategy

Fundamental to the long-term financial health of the Niagara Region and Local Area Municipalities (LAMs) is Niagara Region's Standard & Poor's (S&P) rating. On January 11, 2013 S&P undertook a credit rating review and reaffirmed Niagara Region's stable "AA" rating. The rating reflects S&P's opinion that Niagara Region maintains very strong liquidity and "moderate debt burden", however they cite the Region's slow population and economic growth and somewhat constrained budgetary flexibility (relative to that of domestic peers) as items that are impacting the rating. As a result of the trends identified by S&P, in the 2014 budget Niagara Region has continued using the debt charge placeholder as a tool to control both debt charge levels and future debt issuance amounts, has stabilized draws on levy reserves, is funding economic development initiatives and has revised the development charge by-law facilitating future growth.

Capital Program Funding Model

The purpose of the capital program funding model is to balance immediate and future needs, affordability and sustainability, while minimizing risk and supporting economic growth in the Niagara region. This model is fundamental to the long-term financial health of Niagara region, supports the S&P's rating, and therefore minimizes the cost of borrowing to the Region and local area municipalities.

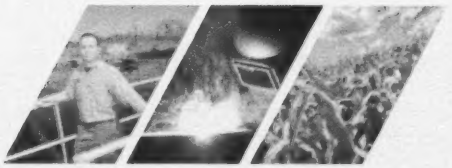
The intent of the model is achieved by adhering to the following concepts:

1. Capital projects are budgeted in their entirety to support transparency of total project costing. Where a project could be considered for phasing the design and construction costs can be budgeted in different years.
2. A source of funding is required for each capital project so one Council does not impede a future Council:
   a. Ensures the 2014 program is maintained within the affordability envelope
   b. Ensures accountability of project funding lies with the approving Council

This model is a conservative approach to managing the Region's capital funding requirements.

To support the proposed 2014 budget, the total authorized long- term debt will rise to $436.8 million in 2014 ($581.7 million by 2023). However, based on planned issuance, the debt balance is forecasted to be $555.4 million by 2023 and the Annual Repayment Limit (ARL) is not expected to go above 11 per cent (related debt charges as a percentage of own source revenue), meaning that no more than 11 cents per every own source revenue dollar will be spent on debt charges (principal and interest). Staff work diligently throughout the year to ensure that available funds are used to reduce the amount of long-term outstanding debt; through capital project close-outs reports and budget reductions. The capital program funding model, as outlined above, has been designed to support a strong and stable S&P rating. Towards this end, the 2014 capital budget and nine year capital forecast ($1.56 billion) are balanced.

2014 Financial Strategy



Long-Term Debt Strategy

	2014 Beginning Balance	2014 Forecasted Issuance*	2014 Principal Repayments**	2014 Ending Balance
Levy				
Corporate Services	1,854,377	2,599,015	(885,265)	3,568,128
Properties Management	21,066,088	11,843,346	(1,199,607)	31,709,827
Integrated Community Planning	487,023	934,949	(137,410)	1,284,561
Transportation	62,144,360	52,233,725	(10,166,842)	104,211,243
Community Services	21,427,968	6,793,506	(1,817,738)	26,403,736
Public Health	668,038	2,086,979	(186,710)	2,568,306
Niagara Regional Police Service	16,172,587	64,774,818	(2,366,936)	78,580,469
Niagara Regional Housing	13,087,941	4,499,853	(1,453,548)	16,134,246
Total Levy	**136,908,381**	**145,766,191**	**(18,214,056)**	**264,460,516**
Rate				
Water	11,687,719		(247,233)	11,440,485
Wastewater	72,399,220		(1,809,890)	70,589,330
Waste Management	11,606,150	-	(3,520,253)	8,085,897
Total Rate	**95,693,089**	-	**(5,577,377)**	**90,115,712**
Forecasted Long Term Debt Outstanding	**232,601,470**	**145,766,191**	**(23,791,433)**	**354,576,229**
Debt per capita				**$822.02**
Total Authorized Unissued Debt				**82,263,502**
Total Authorized Long Term Debt				**436,839,730**
Total Authorized Debt per Capita				**$1,012.74**

Includes $45 Million for Niagara Regional Police Service Long-Term Accomodations Project

***Includes adjustment for sinking fund principal & interest, photocopier lease and NRH Mortgage*

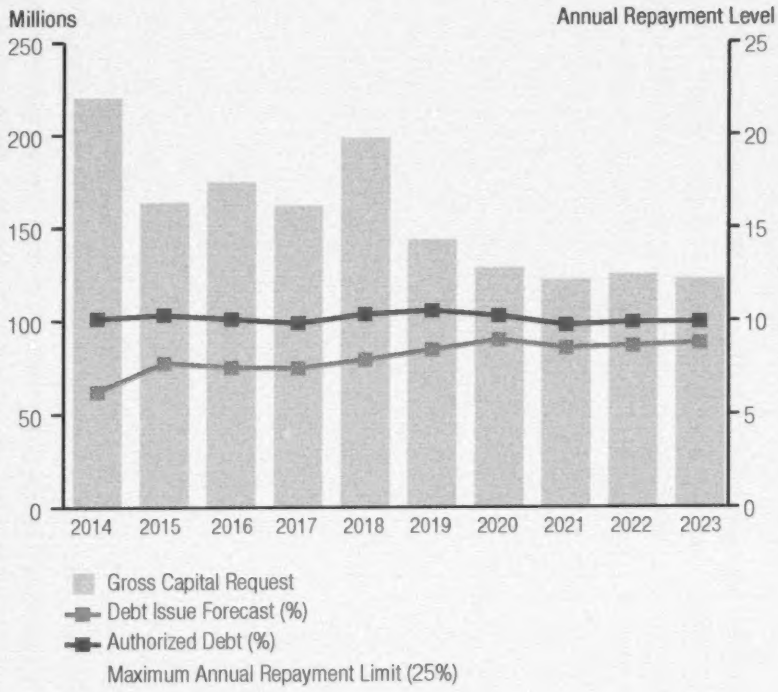
2014 Financial Strategy

Unissued Debt

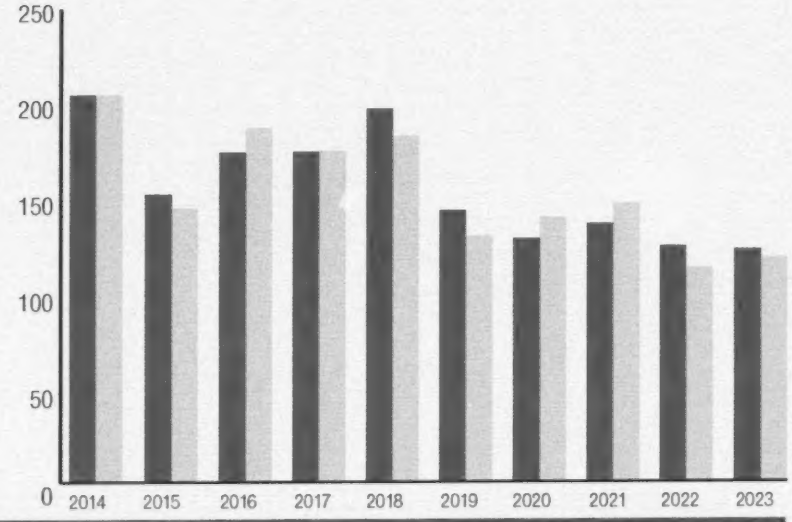
	Community Services	Niagara Regional Housing	Niagara Regional Police Service	Properties Management	Transportation	IT Solutions	Public Health & EMS	Integrated Community Planning	Total
Beginning Total Authorized Unissued Debt	6,793,506	4,499,853	96,570,022	11,843,346	52,233,725	2,599,015	2,086,979	934,949	177,561,395
Less: 2014 Forecasted Debt Issuance	6,793,506	4,499,853	64,774,818	11,843,346	52,233,725	2,599,015	2,086,979	934,949	145,766,191
	-	-	31,795,204	-	-	-	-	-	31,795,204
Add: Authorized Debt Approved in 2014 Capital Budget	-	2,929,522	670,000	16,250,000	27,143,364	-	2,475,412	1,000,000	50,468,298
Ending Total Unissued Debt	**-**	**2,929,522**	**32,465,204**	**16,250,000**	**27,143,364**	**-**	**2,475,412**	**1,000,000**	**82,263,502**

2014 Financial Strategy

Annual Repayment Limit Forecast



2014 Capital Budget with Nine Year Forecast



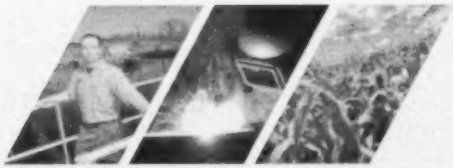
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Capital Request	220.0	163.7	174.9	162.0	198.5	143.5	128.5	121.9	124.9	122.6
Funding	220.0	156.3	188.3	162.6	183.8	130.0	140.1	147.7	113.1	118.6

2014 Financial Strategy

2014 Reserves and Reserve Fund Forecast

Description	Balances at December 31 2012	Forecasted Balance at December 31 2013*	Forecasted Net Transfers from/(to) Operating 2014	Proposed Capital Budget 2014	Forecasted Balance at December 31 2014
Niagara Regional Police Services LTA Financing	-	912,332	1,470,383	-	2,382,715
Ambulance Communication	1,699,293	1,603,293	-	-	1,603,293
Chemical, Biological, Radiological, Nuclear (CBRN) Emergency Response Team	261,803	312,739	52,812	-	365,551
Ambulance Replacement	387,123	1,412,565	1,125,444	-	2,538,009
Niagara Regional Housing	9,437,690	9,437,690	-	-	9,437,690
Fleet Equipment Replacement	6,158,929	3,715,445	1,757,582	(2,673,000)	2,800,027
Police Vehicle and Equipment Replacement	192,591	192,591	1,400,000	(1,400,000)	192,591
Welland Canal Crossings	141,695	141,695	-	(141,695)	0
NRH Owned Units	1,976,300	1,860,819	516,974	(516,974)	1,860,819
Corporate Employee Recognition Team (CERT)	369,209	327,359	(41,850)	-	285,509
Public Works Field Admin. Equip. Replacement	4,752	4,752	116,000	(100,000)	20,752
Senior Capital	2,422,042	2,016,659	396,025	(500,000)	1,912,684
Public Health	227,742	227,742	(84,800)	-	142,942
Social Assistance	8,489,459	8,266,752	(1,261,904)	-	7,004,848
Childrens Services	700,341	700,341	-	-	700,341
Niagara Regional Housing Rent Supplements	420,425	390,425	(24,000)	-	366,425
Police Contingency	486,029	186,029	-	-	186,029
Police Services Board Contingency	60,154	60,154	-	-	60,154
Smart Growth	1,684,554	1,607,639	(79,222)	-	1,528,417
Fire Co-ordinator	102,162	87,814	14,304	-	102,118
Provincial Offences Act Facility Renewal	2,212,565	2,892,564	1,000,000	(3,650,000)	242,564
Police Capital Levy	1,186,930	1,192,930	1,000,000	(1,376,577)	816,353
General Capital Levy**	5,825,007	3,388,013	24,182,711	(21,510,191)	6,060,533
Public Health Vehicles & Equipment	366,040	366,040	(42,000)	-	324,040
Specialized Transit Equipment	286,195	574,195	-	-	574,195
Total Department/Program Specific Reserves	**45,099,032**	**41,878,578**	**31,498,459**	**(31,868,437)**	**41,498,599**

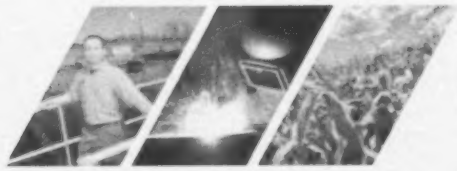
2014 Financial Strategy



2014 Reserves and Reserve Fund Forecast Cont'd

Description	Balances at December 31 2012	Forecasted Balance at December 31 2013*	Forecasted Net Transfers from/(to) Operating 2014	Proposed Capital Budget 2014	Forecasted Balance at December 31 2014
Police Accumulated Sick Leave	4,276,341	3,701,341	(700,000)	-	3,001,341
Future Benefit Costs	9,147,694	9,147,694	-	-	9,147,694
Workplace Safety and Insurance Board (WSIB)	14,087,980	14,087,980		-	14,087,980
Accumulated Sick Leave	2,759,434	2,509,434	(250,000)	-	2,259,434
Niagara Regional Housing Employee future benefits	803,974	803,974		-	803,974
Police Future Benefit Cost	2,028,070	2,940,402	912,332	-	3,852,734
Police Workplace Safety and Insurance Board (WSIB)	2,444,590	2,669,590	-	-	2,669,590
Sub-total Employee Benefit Reserves**	**35,548,082**	**35,860,414**	**(37,668)**	**-**	**35,822,746**
Investment Income Stabilization	1,561,294	1,161,294	(373,301)	-	787,993
Tax Write off Stabilization	5,000,000	5,000,000		-	5,000,000
Self Insurance	2,498,184	2,403,184	(95,000)	-	2,308,184
Contingency	8,837,428	8,334,248	(48,000)	-	8,286,248
Improvement Initiatives	633,705	621,709	405,000	-	1,026,709
Taxpayer Relief	3,449,900	1,724,900	(1,724,900)	-	-
Total Corporate Stabilization Reserves	**57,528,594**	**55,105,749**	**(1,873,869)**	**-**	**53,231,880**
Health Unit Wallington	44,778	44,778	(44,778)	-	(0)
Total Regional Donation Reserves	**44,778**	**44,778**	**(44,778)**	**-**	**(0)**
Federation of Canadian Municipalities (FCM) Reserve	350,000	350,000	(250,000)	-	100,000
Circle Route Initiatives	1,482,681	1,482,681	(100,000)	-	1,382,681
Police Ontario Police Video Training Alliance	31,250	31,250	-	-	31,250
Encumbrance	2,915,852	-		-	
Hospital Contribution	(14,076,200)	(13,772,117)	314,726	-	(13,457,391)
Land Ambulance Severance	4,681,333	4,681,333	-	-	4,681,333
Total Regional Commitments Reserves	**(4,615,084)**	**(7,226,853)**	**(35,274)**	**-**	**(7,262,127)**
Sewage Operations	56,488,237	47,778,953	21,013,248	(30,628,333)	38,163,868
Water Operations	73,250,219	77,536,166	18,087,758	(34,013,000)	61,610,924
Waste Management	15,295,994	12,698,271	784,034	(5,185,000)	8,297,305
Total Rate Supported Reserves	**145,034,449**	**138,013,390**	**39,885,040**	**(69,826,333)**	**108,072,097**

2014 Financial Strategy



Deferred Revenues (Development Charges and Gas Tax Reserve Funds)

Description	Balances at December 31 2012	Forecasted Balance at December 31 2013*	Forecasted Net Transfers from/(to) Operating 2014	2014 Proposed Capital Budget	Forecasted Balance at December 31 2014
Interest on Deferred Revenue Reserve Fund			1,600,000		1,600,000
Total (Excluding Deferred Revenues)	**243,091,768**	**227,815,642**	**71,029,578**	**(101,694,770)**	**197,150,449**
Development Charges-General Government	421,775	561,095	102,000	(40,000)	623,095
Development Charges-Police Services	130,431	690,569	329,000	-	1,019,569
Development Charges-Roads	8,931,300	4,620,850	6,720,000	(7,189,500)	4,151,350
Development Charges-Sewer	10,313,642	8,084,742	4,052,000	(7,775,000)	4,361,742
Development Charges-Water	11,812,061	12,763,066	1,198,000	(1,892,000)	12,069,066
Development Charges-Emergency Medical	143,765	262,676	79,000		341,676
Federal Gas Tax	11,162,071	1,971,790	12,494,635	(14,466,000)	425
Provincial Gas Tax			493,771		493,771
Total	**42,915,045**	**28,954,788**	**25,468,406**	**(31,362,500)**	**23,060,694**
Total Reserve and Reserve Funds and Deferred Revenues	**286,006,813**	**256,770,430**	**96,747,984**	**(133,057,270)**	**220,451,143**

**As reported in the Quarterly Financial Update (September 2013)*

*** Forecasted reserve balance reflects debt substitution of $10,496,403 approved in October 2013 per CSD 107-2013.*

Twenty14

Operating & Capital Budget
Departments, Boards and Agencies

Corporate Administration (CA)

Department Overview

The Corporate Administration department budget comprises Regional Councillors along with the Offices of the Regional Chair and Chief Administrative Officer. Combined, these groups provide political and executive management of the corporation and its many programs and services.

The Municipal Act, 2001 defines the major responsibilities of these executive management functions as:

- Council sets priorities and approves related policies and programs
- The Regional Chair acts as the Region's Chief Executive Officer, presiding over Council and providing political leadership, and
- The Chief Administrative Officer serves as Council's principle advisor with executive management accountabilities for carrying out Council's direction by ensuring appropriate internal capacity (staff skills, deployment and budget) and community partnerships in order to deliver effective Regional programs and services.

Corporate Administration also maintains reporting accountability for the Responsive Region Improvement Team (RRIT), an internal division tasked with reviewing existing programs and services to improve effectiveness and reduce operating costs through a series of program reviews, which reports to the Regional Chair and receives program and policy direction from the Audit Committee; as well as the Niagara Economic Development division, which reports directly to Council through the Chief Administrative Officer.

CA: Supporting Council Business

This year was integral for the Region in that it marked the second year of Council's new 2012 – 2015 Business Plan. The Plan lays out seven strategic themes or directions all supported by a series of specific actions aimed to advance the priorities of this Council. Those priorities collectively aim to improve the quality of Regional services and reduce operating costs at the same time through identifiable efficiencies; facilitate business growth in Niagara in order to improve our economy, reduce poverty and increase prosperity; and ensure the way Regional government carries out its governance obligations promotes effective decision making, inter-municipal communication and collaboration, including meaningful two-way public engagement. Of note was the high degree of agreement and consensus among Councillors on the highest priorities as identified during the Plan's development. The seven key themes are:

- Responsive Region
- Healthy Community
- Open for Business
- Environmentally Responsible
- Integrated Transportation System
- Governance Review
- Public Engagement and Communications

Corporate Administration (CA)

The Corporate Administration department establishes an effective integration of political leadership and corporate management overseeing a number of significant accomplishments in 2013 including:

- The establishment and maintenance of a Performance Measures Management reporting framework
- Securing infrastructure project funding from the federal and provincial governments to support the rebuilding of the Niagara-on-the-Lake wastewater treatment facility
- Support for the Niagara Region Inter-municipal Transit pilot program, which completed its second year of operation, demonstrating increased ridership and revenue
- Significant cost-saving and improved business processes identified across departments through the sponsorship of the Responsive Region Improvement Team and introduction of Lean process review training for over 1,000 employees
- Another successful and productive advocacy effort at Queen's Park during 'Niagara Week'
- The completion of a water / wastewater review in partnership with local municipalities to assess whether different delivery models can save money and improve service
- Construction commencement of the new Niagara Regional Police Services Headquarters and 2 District Facility in Niagara Falls
- The successful conclusion of an Open Data Pilot Launch
- Renovations to the Regional Council Chamber in order to meet accessibility requirements and improve sound and lighting with an added audio/visual control room to permit web streaming of Council deliberations ensuring full transparency and openness
- Conclusion of a Governance Model Review
- A Lean process review of the steps currently in place to develop Regional Council agendas and meeting materials in order to eliminate the reliance on paper to move to an electronic format for future meetings

Corporate Administration (CA)

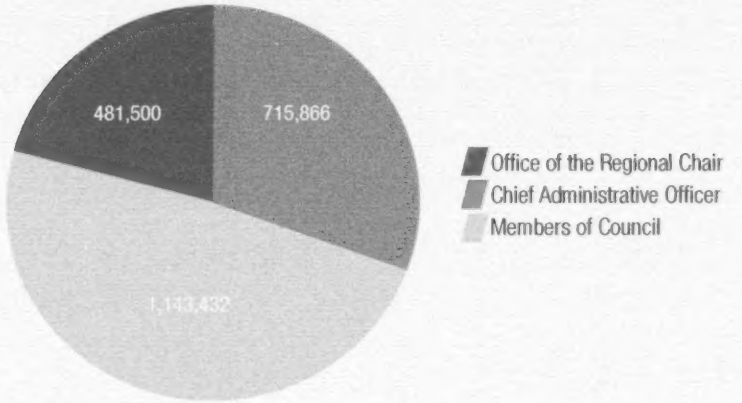
CA: Budget Summary (Gross $2,360,798, Net $2,340,798)

The 2014 Corporate Administration budget provides for continuance of the objectives described below that commenced in 2013 and will continue to be more fully implemented over 2014. Ongoing initiatives include the development of a comprehensive government relations strategy that goes beyond Niagara Week to include the federal government and other municipalities, transition of the new CAO and related organizational changes, as well as the municipal election in October 2014.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	1,960,321	1,951,581	2,008,343	2,049,311
Administrative Expenses	187,186	227,186	203,386	203,386
Materials, Supplies & Utilities	31,350	41,100	39,100	39,100
Purch. Serv. & Other Operating Exp.	123,450	124,400	120,800	120,800
Capital Equipment & Renovations	1,750	9,750	8,250	8,250
Allocations Between Departments	7,411	6,781	6,858	6,937
Gross Expenditure	**2,311,468**	**2,360,798**	**2,386,737**	**2,427,784**
Other Revenue	(23,000)	(20,000)	(23,000)	(23,000)
Gross Revenue	**(23,000)**	**(20,000)**	**(23,000)**	**(23,000)**
Net Direct Expenditure before Indirect Allocation	**2,288,468**	**2,340,798**	**2,363,737**	**2,404,784**
Indirect Allocation	231,575	257,996	267,768	276,391
Debt Allocation	124,540	112,227	115,033	117,909
Net Indirect Allocation	**356,115**	**370,223**	**382,801**	**394,300**
Net Expenditure/(Revenue) after Indirect Allocation	**2,644,583**	**2,711,021**	**2,746,538**	**2,799,084**

*Includes in year budget adjustments

CA: Operating Budget



Corporate Administration (CA)

CA: Summary of Budget Drivers

Personnel Costs

The Corporate Administration budget is largely personnel cost driven at 84 per cent of budget. Additionally, the recent reclassification of the Manager, Partnership Development provides added business focus for the Office of the CAO and allows for more emphasis on the relationship with the local area municipalities.

Government Relations

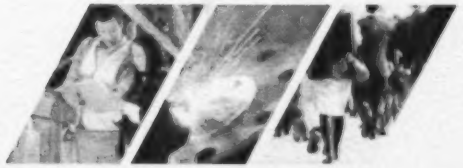
As a broader government relations strategy encompassing both the federal and provincial levels of government is created, adopted and implemented, the scope will dictate the level and intensity of any additional or enhanced engagement with our federal and provincial partners. Future advocacy efforts will be tied to the government relations strategy and related budget resources will support initiatives contained in the short and long-term objectives of the strategy.

Conferences and Conventions

Council's participation at numerous provincial and national conferences of which Niagara Region is a member, including but not limited to: Association of Municipalities of Ontario (AMO), Federation of Canadian Municipalities (FCM), Canadian Urban Institute (CUI), Rural Ontario Municipalities Association (ROMA), and the Association of Local Public Health Agencies (alPHa), provides considerable annual corporate benefit, with related costs. Niagara Region will co-host the 2014 FCM Conference with the City of Niagara Falls, and has allocated appropriate political and staff resources to support its successful planning, organization and execution.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	2,288,468	2,340,798	2,363,737
+/-Savings /Revenue Adjustments	-	-	-
+/- Other Adjustments	-	-	-
+/-Program Changes	-	-	-
+/-Contractual Costs	52,330	22,939	41,047
Current Year	2,340,798	2,363,737	2,404,784

Economic Development (ED)



Department Overview

The Economic Development division is the facilitator of business entry, growth and development in Niagara. Functions of the division include:

- Identifying conditions that attract or impede business
- Advocating for actions that will enhance regional competitiveness
- Identifying and promoting strategic economic cluster growth, including the attraction of new investment and jobs
- Supporting actions that help existing business startup and grow

Economic Development supports business growth and economic prosperity by focusing on collaboration, sector expertise, and responsiveness to current and anticipated opportunities.

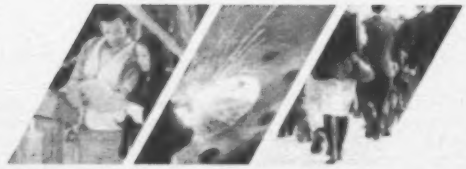
The division is accountable to Council through the Chief Administrative Officer.

ED: Supporting Council Business

In addition to the core services mentioned above, Economic Development has a number of initiatives planned for 2014 that will further support Council's job growth and prosperity objective, including:

- Branding the Region as responsive to business
- Implementing major industry attraction initiatives and promoting Niagara as a unique and competitive business destination
- Supporting entrepreneurship and innovation
- Building on the Manufacturing Cluster initiative
- Supporting projects and partners to assist businesses with expansion, growth and investment
- Partnering to identify short and long-term labour force requirements to support employers, job seekers and educational institutions
- Implementing performance metrics that are impact-based and both qualitative and quantitative
- Providing enhanced, high quality economic data and analysis about Niagara

Economic Development (ED)



ED: Budget Summary (Gross $1,764,144, Net $1,764,144)

The 2014 Economic Development budget provides for continuance of the objectives above that commenced in 2013 and will continue to be implemented over 2014. Ongoing initiatives include support to the Gateway Economic Zone marketing plan, maintenance of the Manufacturing Cluster program and implementation of the Economic Growth Strategy.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	643,039	646,275	719,200	736,542
Administrative Expenses	60,000	61,500	69,500	73,000
Materials, Supplies & Utilities	13,000	13,000	13,500	14,000
Repairs & Maintenance	-	-	-	-
Purch. Serv. & Other Operating Exp	1,031,868	930,000	882,500	906,000
Financial Expenditures	128,000	110,000	110,000	110,000
Allocations Between Departments	3,085	3,369	3,376	3,383
Gross Expenditure	**1,878,992**	**1,764,144**	**1,798,076**	**1,842,925**
Transfers from Reserves & Reserve Funds	(150,000)	-	-	-
Gross Revenue	**(150,000)**	**-**	**-**	**-**
Net Direct Expenditure before Indirect Allocation	**1,728,992**	**1,764,144**	**1,798,076**	**1,842,925**
Indirect Allocation	191,171	194,629	198,174	203,535
Debt Allocation	137,209	108,336	111,044	113,820
Net Indirect Allocation	**328,380**	**302,965**	**309,218**	**317,355**
Net Expenditure/(Revenue) after Indirect Allocation	**2,057,372**	**2,067,109**	**2,107,294**	**2,160,280**

*Includes in year budget adjustments

ED: Summary of Budget Drivers

Gateway Economic Zone Marketing Plan Implementation

The implementation of the Gateway Economic Zone marketing plan will continue through 2014, using current staff and contract resources to manage the program. Niagara Region will pursue additional funding support from other levels of government to enhance the initiative.

Manufacturing Cluster Strengthening

In partnership with the Federal Economic Development Agency of Southern Ontario, Niagara Industrial Association and Niagara College, Niagara Region launched a multi-faceted manufacturing cluster initiative to provide innovative services, assist businesses in expansion and growth, and attract new investment. The program will be maintained through 2014 within budget; program enhancements are dependent on funding contributions from other levels of government.

Collaboration with Regional Partners

28.3 per cent of the proposed budget is earmarked to support projects led by Niagara Region's economic development partners. These funds will support initiatives to retain youth, attract high quality jobs, foster entrepreneurship and access to capital, and support tourism development in the region.

Performance Measures

Two per cent of the proposed 2013 budget has been earmarked to develop and collect meaningful performance measurements to allow an assessment of the impact of the division's initiatives and activities on supporting, expanding and attracting business into Niagara region and on economic growth.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	1,728,992	1,764,144	1,798,076
+/-Savings /Revenue Adjustments	-	-	-
+/- Other Adjustments	-	-	-
+/-Program Changes	-	-	-
+/-Contractual Costs	35,152	33,932	44,849
Current Year	1,764,144	1,798,076	1,842,925

Community Services (COM)

Department Overview

Community Services supports and advances the well-being of individuals, families and communities of Niagara by providing and supporting a wide range of community services and partnerships through three operating divisions:

Senior Services provides services primarily for older adults and their families, including:

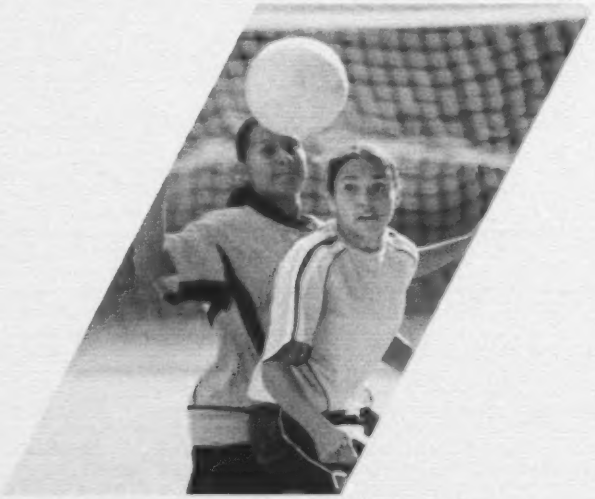
- The operation of eight accredited long-term care homes serving nearly 1,500 people each year
- The delivery of community programs to support more than 3,000 people who live in their own home

Children's Services ensures access to a coordinated and diverse range of affordable quality services and supports for young children and families. As the service system manager for Niagara, Children's Services:

- Oversees 9,700 licensed spaces
- Directly operates five child care centres with a focus on children with special needs
- Contracts with more than 300 centre-based and home child care service providers
- Provides fee subsidies to eligible families and wage subsidies to early childhood educators
- Partners with YMCA of Niagara and 200 community organizations to provide sports and cultural opportunities to eligible children and youth (ProKids).

Social Assistance and Employment Opportunities (SAEO) provides financial assistance and employment supports, in partnership with community agencies, to enable participants to achieve independence through sustainable employment. Specifically, SAEO is responsible for:

- Delivering the provincial Ontario Works program for families and individuals in financial crisis
- Administering homelessness prevention programs and the housing stability plan, working with local service agencies, Niagara Regional Housing and the Niagara Homelessness Advisory Committee
- Addressing poverty through the award-winning Niagara Prosperity Initiative, a community partnership funded by Niagara Region



Community Services (COM)

COM: Supporting Council Business

In addition to the core services we provide daily to help some of Niagara's most vulnerable residents, Community Services is focused on the following priorities in support of the 2012 – 2015 Council Business Plan:

Healthy Communities

- Worked with the Local Health Integration Network (LHIN) to reduce reliance on long-term care homes for the care of frail elderly and to provide specialized community services to better care for seniors with behavioral issues
- Introduced a Convalescent Care Program in Niagara. Located at Linhaven (long-term care home), this 20-bed, provincially funded program, provides recuperative care to seniors prior to returning home from a hospital stay
- The Niagara Prosperity Initiative (NPI) continued to fund projects aimed at reducing and preventing poverty. Since its inception, the NPI has invested in 218 projects across Niagara, serving over 72,000 individuals. In 2013, it received the Prosperity and Renewal award from the Canadian Urban Institute's Urban Leadership Awards program.
- Successfully completed a Community Integration Leaders Project fully funded by the Ministry of Education focused on the integration of early years services
- Supported 2,490 children and youth in 2012 through ProKids, which provides recreational and cultural opportunities to children from low-income families
- Designed and implemented a Housing Stability Plan, which by August 2013 helped prevent homelessness for approximately 4,552 households
- Redeveloped Deer Park Villa, the Region's 39-bed long-term care home in Grimsby
- Secured LHIN funding, in partnership with March of Dimes and Hotel Dieu Shaver Health and Rehabilitation Centre, to expand the seniors' wellness program in Welland from three to five days a week and to fund a community-based ambulatory assess and restore program
- Worked with child care and education partners to implement phase four of Ontario's Full-Day Learning Program for four and five-year olds

Public Engagement and Communication

- Almost 1,300 people representing business, service providers and people with lived experience participated in the development of a 10-year housing and homelessness plan for Niagara
- Completed "Living Well in Niagara," a public engagement exercise focused on the needs of seniors. The consultation is assisting Seniors Community Programs and other health care providers in planning for the delivery of services to help seniors remain in their homes for as long as possible
- Continued to increase awareness and understanding of the role of Niagara Region Community Services among the social services sector and broader public through:
  - » Ongoing community engagement activities
  - » Relationship-building with senior levels of government (key funders)
  - » Maintaining a robust web site and developing or updating promotional materials to promote programs and services
  - » Development of a video highlighting program and service areas and their impact on residents' lives

Open for Business

- Eliminated the waitlist for fee subsidies for child care
- Worked with Niagara employers to provide training and employment opportunities for Ontario Works participants. Almost 18 per cent of Social Assistance participants exited to employment in 2012
- Partnered with Brock University and Niagara College to provide training and workplace opportunities in our long-term care homes and child care centres
- Partnered with Niagara Economic Development to secure provincial funding to update and enhance the Newcomers Portal to help attract skilled immigrants to Niagara

Community Services (COM)

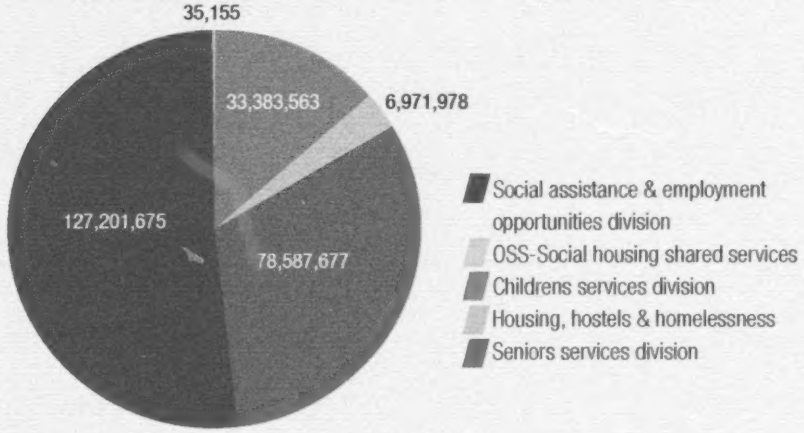
COM: Budget Summary (Gross $246,180,048, Net $32,061,560)

Community Services has a gross expenditure budget of $246 million and a net budget of $32 million. Most of the cost of our programs and services are funded by the Province of Ontario and through client fees. Niagara Region contributes 13.2 per cent toward the delivery of our services, client fees represent 9.5 per cent of our funding and the majority of the budget, 77.3 per cent, is funded through Provincial and Federal monies. Community Services continues to experience provincial uploading for social programs and accordingly has submitted a budget reduction of $810,526. The provincial uploading will continue to impact Community Services and the Region through to the end of 2018.

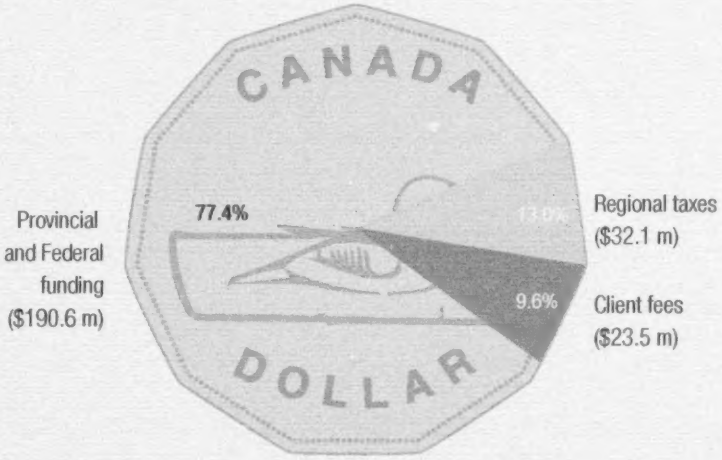
Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	86,880,850	89,424,266	91,545,838	93,696,966
Administrative Expenses	1,171,710	1,069,254	1,109,705	1,132,652
Materials, Supplies & Utilities	7,281,507	7,572,534	7,864,770	8,166,149
Repairs & Maintenance	976,206	1,023,221	1,062,803	1,095,106
Purch. Serv. & Other Operating Exp.	37,891,212	39,524,451	39,660,104	40,174,749
Social Assistance	98,641,329	106,890,082	110,886,021	115,051,733
Financial Expenditures	32,905	32,905	33,933	35,002
Capital Equipment & Renovations	520,563	479,771	496,089	509,013
Transfers to Reserves & Reserve Funds	620,929	396,025	396,025	396,025
Allocations Between Departments	(205,131)	(232,461)	(238,686)	(245,647)
Allocations Within Departments	-	-	-	-
Gross Expenditure	**233,812,080**	**246,180,048**	**252,816,602**	**260,011,748**
Ontario/Canada Grants	(175,742,494)	(189,268,734)	(197,153,500)	(205,469,347)
Fees & Service Charges	(23,003,734)	(23,243,915)	(23,577,555)	(23,916,200)
Other Revenue	(343,242)	(343,935)	(344,638)	(345,355)
Transfers from Reserves & Reserve Funds	(1,850,524)	(1,261,904)	(961,904)	(961,904)
Gross Revenue	**(200,939,994)**	**(214,118,488)**	**(222,037,597)**	**(230,692,806)**
Net Direct Expenditure before Indirect Allocation	**32,872,086**	**32,061,560**	**30,779,005**	**29,318,942**
Indirect Allocation	6,868,530	7,645,119	7,892,535	8,109,628
Debt Allocation	4,384,990	3,741,787	3,835,333	3,931,216
Net Indirect Allocation	**11,253,520**	**11,386,906**	**11,727,868**	**12,040,844**
Net Expenditure/(Revenue) after Indirect Allocation	**44,125,606**	**43,448,466**	**42,506,873**	**41,359,786**

*Includes in year budget adjustments

COM: Operating Budget



2014 Community Services Budget Funding Sources



Community Services (COM)

COM: Summary of Budget Drivers

Seniors Services

The 2013 provincial budget announcements for envelope and per diem funding were not sufficient to fund the increases experienced in salaries, benefits and other expenditures. As a result, Seniors Services was not able to meet the budget guidance of 2.7 per cent on the net levy contribution to the division. Accordingly, the division has submitted a business case for $272,786 to address this shortfall and maintain services. The Seniors Services budget is 83.9 per cent salaries and benefits and therefore budget shortfalls would have an impact on staffing levels.

Seniors Community Programs remains a net zero impact on the levy as these services remain 100 per cent funded by the LHIN.

Social Assistance and Employment Opportunities (SAEO)

The budget is based on a three per cent caseload growth for 2014 and includes the 2013 provincial budget changes, including a one per cent rate increase to clients, an increase in asset limits, a supplement for singles and the elimination of the sharing of employment income on the first $200 of earnings. The proposed 2014 budget reduces the dependency on reserves by $115,235, leaving a further $300,000 to be addressed in 2015. This dependency developed in 2009 and 2010 when Niagara experienced significant caseload growth. The increased costs are balanced against taxpayer affordability to provide a more stable funding for residents.

The budget for homelessness includes funds community agencies to delivery homelessness services and for SAEO staff to deliver the housing stability plan approved by Council. It also provides for the continuation of three provincially funded temporary staff that Council approved in 2013 to deliver the housing stability plan to clients of the Ontario Disability Support Program.

The budgets for SAEO and homelessness both included continued uploading by the Province and as result show a decrease from the prior year.

Children's Services

Children's Services continues to manage the additional demands for existing services within the Council guidance target. However, the guidance target did not provide for the ability to continue the special needs pilot process with child care providers. This pilot project provided enhanced supports to children with special needs on a short term basis, ensuring the children could integrate into the child care system with fewer challenges going forward.

The Children's Services budget continues to strive to ensure a stable child care system in Niagara as we enter into phase four of five for Full Day Learning.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	32,872,086	32,061,560	30,779,005
+/-Savings /Revenue Adjustments			
Upload	(2,901,800)	(2,700,000)	(2,700,000)
Ministry Funding	(10,624,440)	(5,184,766)	(5,615,847)
Resident Fees	(240,181)	(333,640)	(338,645)
+/- Other Adjustments			
Provincial Budget Ontario Works Impacts	1,051,390	-	
Eliminate Reserve Dependency in Employment	115,235	300,000	
Eliminate Reserves in Housing Stability Plan	500,000	-	-
+/-Program Changes			
Seniors Services Business Case	272,786		
+/-Contractual Costs			
Personnel	2,543,416	2,121,051	2,150,899
Social Assistance	7,197,363	3,995,939	4,165,712
Inflationary	1,275,705	518,861	877,818
Current Year	**32,061,560**	**30,779,005**	**29,318,942**

Community Services (COM)

COM: Capital Program

Project ID	Project Description	Gross Capital Request
ZSC1406	Bed Replacement	450,000
ZSC1407	Capital Improvements/Replacements	335,000
ZSC1409	Machinery/Equipment	553,750
ZSC1410	Resident Care Equipment	250,000
Total		1,588,750

COM: Performance Metrics

Each division within Community Services measures performance in a range of areas as part of its commitment to continuous quality improvement.

Seniors Services (long-term care homes)

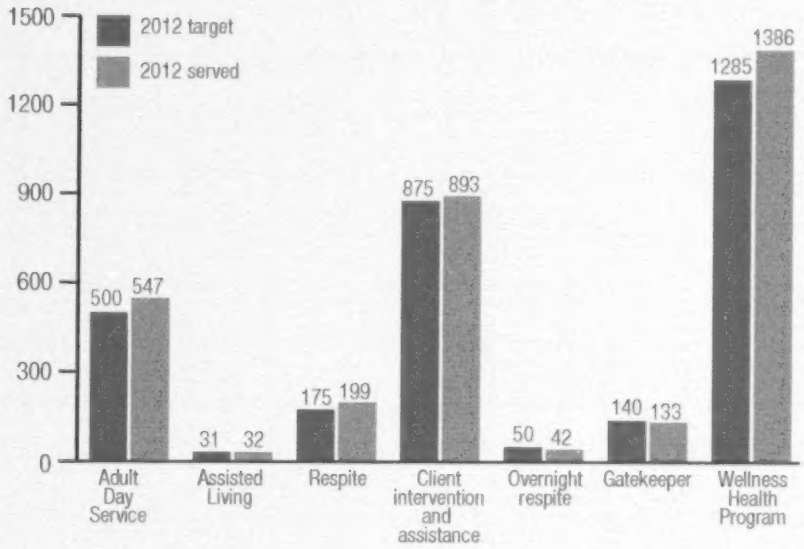
Seniors Community Programs delivers a range of services designed to enrich the lives of older adults to help them remain in their homes longer while easing the pressure on long-term care homes and hospital emergency departments.

Home	Beds	Waitlist	Category
Deer Park Villa	39	19	A
Rapelje Lodge	120	195	A
Gilmore Lodge	80	26	C
Linhaven	228	195	B
Woodlands of Sunset	120	274	A
Meadows of Dorchester	150	163	A
Northland Pointe	150	127	A
Upper Canada Lodge	80	39	C

Categories

A Class homes are usually newer and are built to most current standards; and as a result, usually have longer waiting lists than B and C class homes.

Seniors Community Programs - Individuals Served in 2012

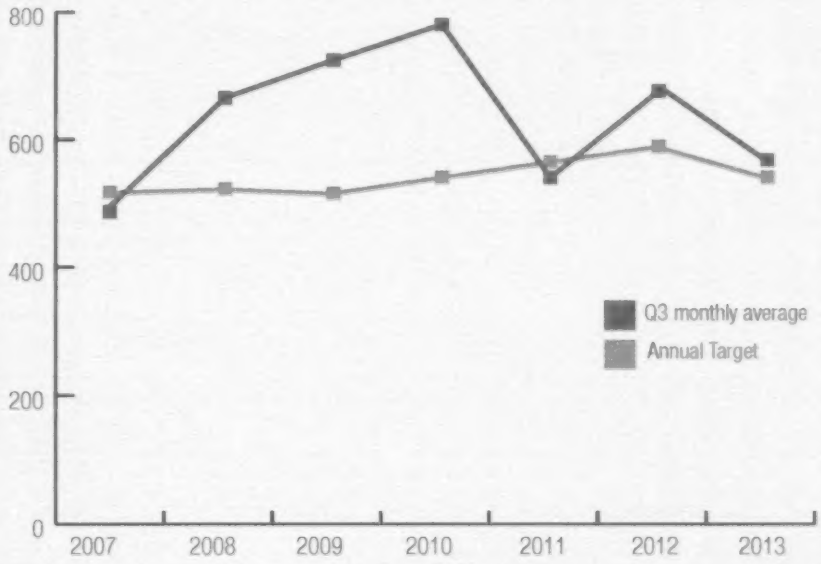


Community Services (COM)

Children's Services

Children with special needs are being identified earlier through medical professionals and registered early childhood educators. Referrals for resource consultant supports has continued to increase as a positive result of the assessments conducted by Quality Childcare Niagara, which screens all children in child care. The level of complexity of children's developmental challenges continues to escalate, in turn requiring more intensive interventions to support their development.

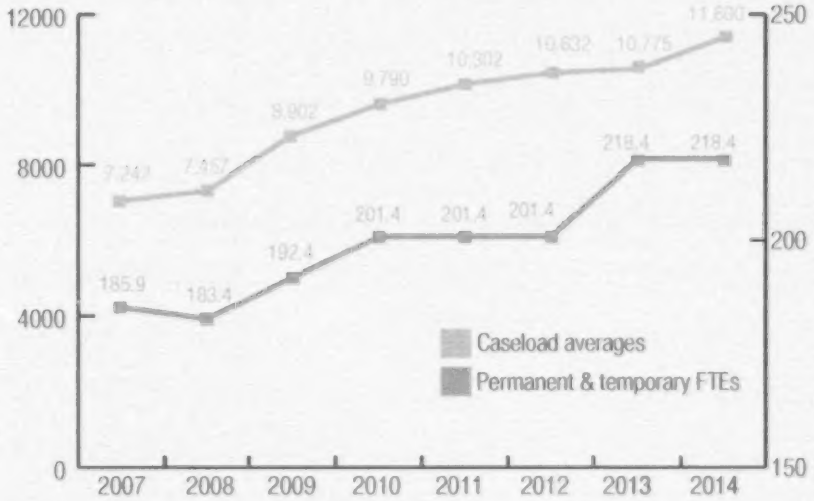
Special needs - average number of children served



Social Assistance and Employment Opportunities

Since 2008 Q3, social assistance caseloads have increased by 43 per cent. The SAEO staff complement has increased 17.5 per cent over the same period. The 2014 caseload figure is an estimate based on predicted caseload growth and the effect of the Provincial policy change on asset limits for Ontario Works eligibility.

Social Assistance caseloads and staff levels



Corporate Services (CSD)

Department Overview

Corporate Services' vision is to provide "Innovative Solutions for Niagara".

Corporate Services supports all of the Region's departments through the provision of the following support services:

- Administration
- Financial Management and Planning
- Legal and Court Services
- Human Resources Services
- Information Technology Solutions
- Properties Management

The employees who make up Corporate Services are committed to meeting their customers' priorities by providing timely, innovative and effective solutions. Our challenge is to provide services that meet their evolving demands, while identifying efficiencies and reducing cost. Whether managing a Regional budget of almost $1 billion, processing weekly payroll for over 3,600 employees, servicing over 5,550 technological devices, or managing over 800,000 square feet of Regional properties, our teams' ultimate goal is to support the Region in its endeavor to provide Niagara residents with affordable, quality services and secure the community's position as an attractive location to live and work.

CSD: Supporting Council Business

Departmental Plans

In addition to the core services mentioned above that are provided to both internal Regional customers and residents alike, Corporate Services is focused on the following priorities in support of the 2012 – 2015 Council Business Plan:

- Open for Business
- Manage sustainable and accountable tax policies that are affordable for Niagara residents and businesses
- Facilitate the approval of the 2014 Regional budget while meeting Council-approved affordability targets
- Attract key talent to support the delivery of Regional services to our residents

Responsive Region

- Improve Regional budget reporting, including setting corporate-wide guidance targets, quarterly reporting to Council and managing the implementation of our Enhanced Financial Management Services (EFMS) project.
- Manage a number of significant capital projects, including:
  - » Niagara Regional Police Services buildings in Niagara Falls and St. Catharines
  - » Court facilities review
  - » EMS facilities
  - » Renovations and upgrades to existing long-term care homes (Deer Park Villa & Northland Pointe)
  - » Renovations to existing Regional Council chambers
- Negotiate labour relations agreements with our bargaining units
- Review 911 dispatch service delivery in Niagara
- Establish a corporate-wide performance measurement framework

Public Engagement and Communications

- Engage our residents, partners, business and community groups in the 2014 budget process and discussions
- Leverage technology to improve access to Regional information through our website, Open Data pilot and improved GIS capabilities

Corporate Services (CSD)

CSD: Budget Summary
(Gross $29,887,097, Net $29,099,659)

The Corporate Services' 2014 operating budget includes a gross expenditure increase of $701,205 or 2.4 per cent over the 2013 gross budget. This translates to a net increase of $756, 984, or a 2.67 per cent increase. The proposed budget is below Council-directed guidance and does not include any changes to our 2013 personnel complement.

Drivers for the 2014 budget include the following four areas:

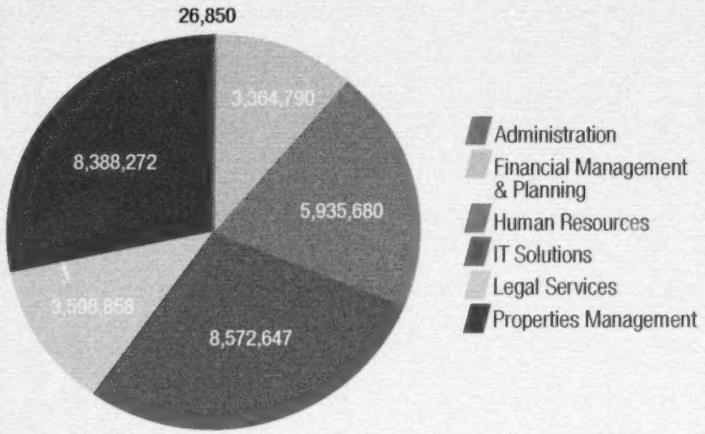
- Leading significant, comprehensive projects on behalf of the organization
- Support ongoing organization changes (enhanced treasury function, divisional and corporate re-organizations, recruitment and acquisition for senior positions corporately)
- Enable strategic labour relations and collective bargaining
- Service and process reviews

Significant increases - $241,074 - in our risk management budget have occurred, with the budget being aligned with the five-year claims history in our self-insurance area, along with increasing costs to our insurance premiums. Additional increases have occurred in our software contracts, offset by reductions in our internet connectivity, personnel, and a reduction in energy costs across the 55 facilities managed by Properties Management.

The 2014 budget is the first corporate budget that includes changes as a result of our cost allocation review in 2012. This has led to full cost accounting for the corporation, with the entire costs of Corporate Services allocated to end programs or services based on agreed-upon drivers of cost. There is no impact to the operating levy as it is simply a change in the allocation of costs.

Corporate Services (CSD)

CSD: Operating Budget



Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	17,438,927	18,405,126	19,524,031	20,042,089
Administrative Expenses	458,298	484,965	491,734	504,182
Materials, Supplies & Utilities	2,078,158	2,062,874	2,188,927	2,339,549
Repairs & Maintenance	2,059,838	2,124,839	2,179,835	2,238,518
Purch. Serv. & Other Operating Exp.	7,223,852	7,572,059	7,667,271	7,781,583
Financial Expenditures	213,687	213,688	213,688	213,688
Capital Equipment & Renovations	21,610	19,400	20,000	21,300
Allocations Between Departments	(180,978)	(157,809)	(152,538)	(147,126)
Allocations Within Departments	-	-	-	-
Allocations to Capital Program	(127,500)	(838,045)	(1,157,381)	(1,173,528)
Gross Expenditure	**29,185,892**	**29,887,097**	**30,975,567**	**31,820,255**
Ontario/Canada Grants	(12,500)	-	-	-
Fees & Service Charges	(145,101)	(92,500)	(92,500)	(92,500)
Other Revenue	(563,766)	(566,723)	(516,960)	(484,808)
Transfers from Reserves & Reserve Funds	(121,850)	(128,215)	(76,904)	(33,472)
Gross Revenue	**(843,217)**	**(787,438)**	**(686,364)**	**(610,780)**
Net Direct Expenditure before Indirect Allocation	**28,342,675**	**29,099,659**	**30,289,203**	**31,209,475**
Indirect Allocation	(28,342,675)	(29,099,659)	(30,289,203)	(31,209,475)
Net Indirect Allocation	**(28,342,675)**	**(29,099,659)**	**(30,289,203)**	**(31,209,475)**
Net Expenditure/(Revenue) after Indirect Allocation	-	-	-	-

*Includes in year budget adjustments

Corporate Services (CSD)

CSD: Summary of Budget Drivers

Challenges	Mitigation Plan
Legislation	• Bill 160 (Occupational Health and Safety Act) Training and Accessibility for Ontarians with Disabilities Act (AODA) compliance; Taxation and property assessments
People Resources	• Culture and leadership changes; succession and transition planning; focus on leadership support and staff engagement • Review of job roles and divisional needs when vacancies occur • Strategic labour relations and collective bargaining – research, development, negotiation and implementation to assist and enable Regional Council
Cost Pressures	• Risk management and self-insurance $184,000 increase (of $241,074) – have managed to "right-size" the budget for 2014, forecast claims based on five-year average – analyzing claims data in partnership with departments to develop plans to reduce future claims • Software maintenance and licencing, $226,000 increase – managed through a decrease in Niagara Regional Broadband Network contract • Historical review of energy costs – reduced to match current state costs given recent energy management initiatives (applying appropriate analytics to budget lines). Minor decrease ($6,700) on budget line originally forecast to increase by 10 per cent, $160,000
Implementation Plans - Projects	• Review (and increase) in some areas of cost recovery for project management • Process reviews – electronic funds transfer; purchasing process review to match new financial managemnet system; claims administration; risk management; job evaluation process

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	28,342,675	29,099,659	30,289,203
+/-Savings /Revenue Adjustments			
Niagara Regional Broadband Network Contract	(140,000)	(500,000)	(500,000)
Utilities - Electricity, Natural Gas, Propane	(15,284)	126,053	150,622
Internet Charges	(31,000)	-	-
Revenue Reduction	55,779	101,074	75,584
+/- Other Adjustments			
Legal Claims & Insurance Premiums	241,074	268,418	102,750
+/-Program Changes	-	-	-
+/-Contractual Costs			
Personnel	255,654	799,569	501,911
Software Licensing Costs	238,127	278,000	481,865
Other	152,634	116,430	107,540
Current Year	**29,099,659**	**30,289,203**	**31,209,475**

Corporate Services (CSD)

CSD: Capital Program

IT Solutions

The 2014 capital program for IT Solutions includes the annual asset replacement program which totals just over $1.6 million. The program captures costs for a host of technology products used across the corporation, including servers, software upgrades, laptops, desktops, wireless and telephone upgrades, and innovation projects such as virtual desktops and servers.

Project ID	Project Description	Gross Capital Request
Information Technology (IT) Solutions		
ZGC1402	IT Asset Replacement	1,300,000
ZGC1403	IT Applications Replacement/Enhancements	365,000
IT Solutions Total		**1,665,000**

Properties Management

The Properties Management capital budget includes four main projects in 2014 totaling just over $23 million. The annual building improvement program focuses on replacing equipment that has reached the end of its lifespan, mitigating risks due to aging infrastructure, and completing projects that will restore our assets to an acceptable state ($2,467,000). The largest and most significant project supports the court facilities renewal in Niagara, with work in process to identify final siting for the planned changes ($16,000,000). This project will consolidate four locations across Niagara, to two – one in St.Catharines and one in Welland. In addition, building siding at Northland Pointe, Port Colborne long-term care homes will be replaced ($3,900,000).

Project ID	Project Description	Gross Capital Request
Properties Management		
ZGD1107	Provincial Offences Act Facilities renewal	16,000,000
ZGD1404	Regional Building Improvement Program	2,467,000
ZGD1408	Northland Pointe siding replacement	3,900,000
ZGD1409	Embankment & Slope Stabilization	850,000
Properties Management Total		**23,217,000**

Corporate Services (CSD)

CSD: Performance Metrics

Properties Management – Work Orders

Facilities staff has tracked work orders since the implementation of our internal system in 2010. In 2013, approximately 4,500 work orders were processed and completed by facilities staff, who provide service at Public Health, Public Works, Community Services and Niagara Regional Police Service buildings, in addition to the administrative headquarters of the Niagara Region.

These orders capture requests for service at any of the facilities owned and operated by the Niagara Region, however do not include issues such as strategic accommodation planning, project management, etc. On a monthly basis, the number of work orders varies from 300 to 500 requests.

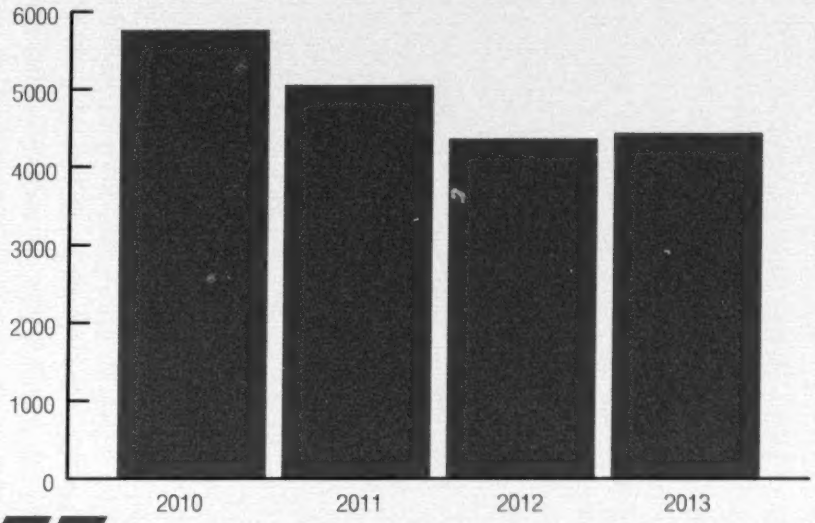
Financial Management and Planning – Bid Documents

Corporate Services supports and manages bid documents for divisions across the Region, including: quotations, tenders, requests for proposals and/or prequalification, expressions of interest, and the sale of assets deemed surplus to the needs of the organization.

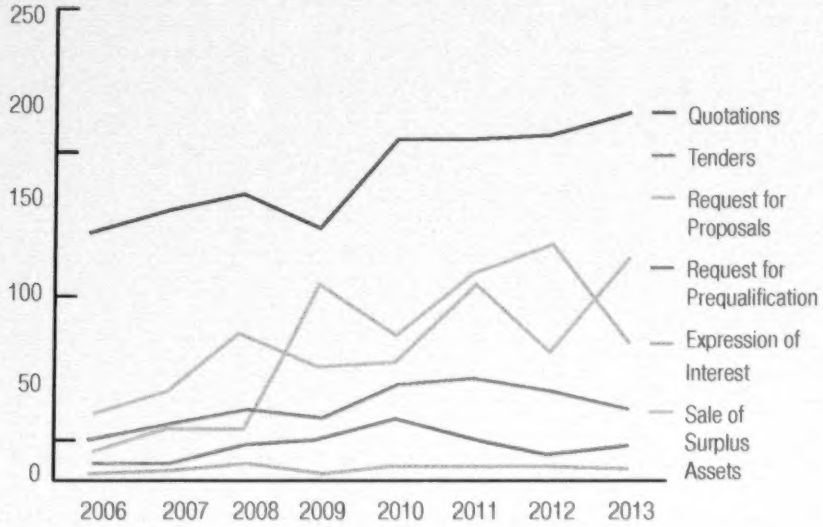
The number of documents managed by staff has increased over 100 per cent since 2006 and coincides with staff decline. On average, 58 documents are supported per purchasing employee; a significant increase from the 22 documents per purchasing employee in 2006.

This growth supports the increasing complexity and scrutiny surrounding the purchasing process in a public organization.

Work Orders



Bid Documents



Corporate Services (CSD)

Human Resources – "myHR" Service Requests

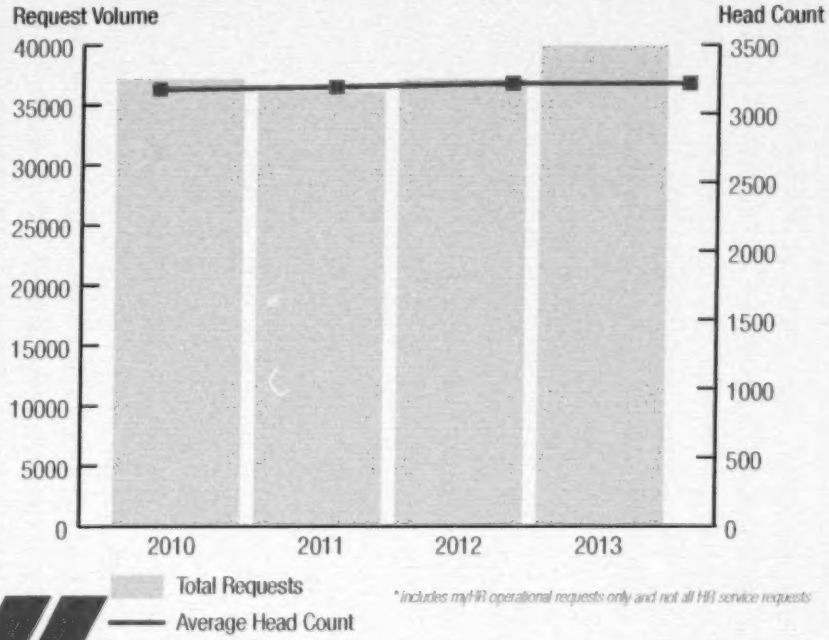
The number of service requests resolved by Human Resources has remained constant, with 37,160 requests in 2010, moving up to 39,952 forecast in 2013. These questions pertain to confidential employee information including pay, benefits, leaves of absence, work schedules, training information and job postings. Access is provided through a number of portals including email, telephone, in-person or self-service intra-net. In addition to these service requests, human resource staff provides support to policy, programs or consulting in labour relations, compensation, work force planning, health & safety, leadership etc.

IT Solutions – "Service Desk" Requests

IT service desk supports clients with technology issues, including installation calls, removal and movement of technology resources; issues with access, hardware, telecom; and support for resources across all Regional locations - diversified by both client and geography.

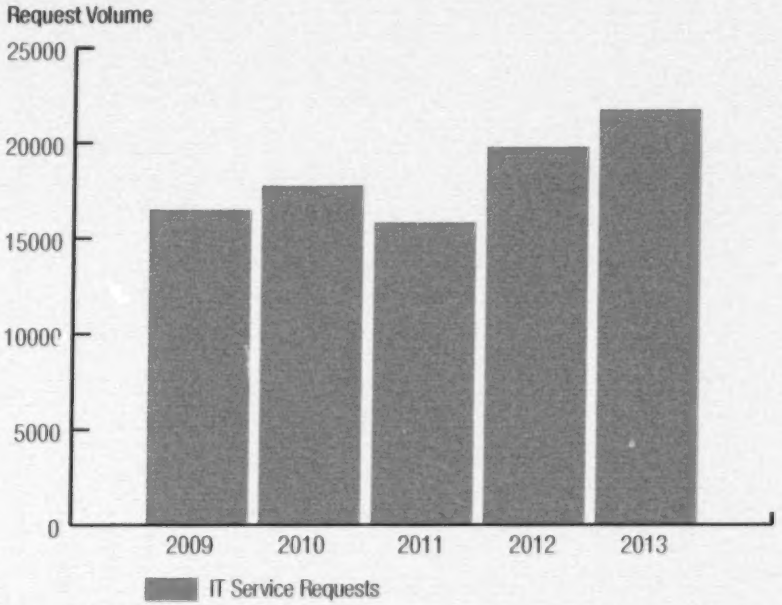
Over half of the requests are resolved in less than 30 minutes, however the varied nature of our clients can mean that one request may be a password issue for a software system, while the next could be the installation of a laptop in a long-term care home in Fort Erie. 21,744 requests were forecast to be resolved in 2013, a significant increase from the 16,500 logged in 2009.

myHR Service Request Volumes *



*Includes myHR operational requests only and not all HR service requests

IT Service Requests



Integrated Community Planning (ICP)

Department Overview

Integrated Community Planning (ICP) supports effective decision-making based on meaningful engagement, research, planning and focused actions to deliver responsible public policy, resulting in good governance for Niagara.

The department provides support to Council and the Corporate Management Team, particularly in relation to long-term planning and governance which require alignment between departmental mandates and the interests of community stakeholders.

Integrated Community Planning has six areas of responsibility that support successful implementation of Council's Business Plan themes and actions:

Administration provides departmental leadership and oversight, and plays a key role in supporting intergovernmental and bi-national relations.

Community and Corporate Planning works with partners and community groups to lead or support Council's priority planning initiatives, facilitating integration of social, economic, environmental, cultural pillars and Accessibility of Ontarians with Disabilities Act.

Corporate Communications provides strategic, innovative and effective corporate communications services and timely and accurate information to residents about Regional programs and services. The division focuses on strengthening internal communications and oversees crisis communications response.

Regional Emergency Planning leads in the development, maintenance and growth of emergency readiness in Niagara. Links with area municipalities and agencies in Ontario and Western New York, including training, joint exercises and emergency plan development and alignment.

The Office of the Regional Clerk creates and maintains Council and Committee documents, provides procedural advice and manages legislative compliance. The office provides Information Management services, and is responsible for printing, mail and courier services.

Regional Policy Planning is responsible for the Region's long-range planning function, guided by statutes such as the Planning Act, Greenbelt Act and Places to Grow Act. Regional Policy Planning implements Council's land use vision for the communities through projects such as "Imagine Niagara", customer service in approving the Local Municipalities' Official Plans, and implementation such as funding for smart growth development projects.

Integrated Community Planning (ICP)

ICP: Supporting Council Business

In addition to core services provided to both Regional Council and residents, Integrated Community Planning will focus on the following priorities in support of the 2012 – 2015 Council Business Plan:

Responsive Region

- Community improvement projects (i.e. Smart Growth Design Guidelines, Economic Gateway and Rural Community program)
- Paper-light Council and committees
- Council Chamber renovations

Healthy Community

- Building a disaster resilient Niagara
- Be Disaster Ready – youth engagement organized with the help of partnerships with Niagara Children's Safety Village and the Canadian Red Cross
- Culture plan implementation
- Agricultural Action Plan initiatives (i.e. Food and Farming strategy, Local Food Action Plan and Raw Water for agriculture)
- Human services planning

Open for Business

- Funding partnerships (i.e. *Smarter Niagara* incentives, Economic Gateway incentives, Watersmart funding and Lakefront Enhancement Strategy)
- Provincial policy reviews (i.e. Imagine Niagara, Places to Grow and Provincial Policy Statement)
- Employment lands study
- Greater Niagara Circle Route Asset Management strategy

Environmental Responsibility

- Niagara Greenbelt review
- Lakefront Enhancement strategy
- Bi-national initiatives (i.e. Ramsar, pre-border clearance)
- Climate Change Action Plan monitoring

Integrated Transportation System

- Metrolinx
- Transportation policies of the Regional plan addressing goods movement, complete streets, roads and active transportation

Governance

- Council orientation

Public Engagement and Communications

- Initiating 2015 pre-budget public engagement
- Generate vibrant two-way communications
- Crisis communications in response to disasters
- Public engagement on Regional Policy Plan review
- Council Chamber renovation communications and media relations
- Federation of Canadian Municipalities (FCM) Conference planning

Integrated Community Planning (ICP)

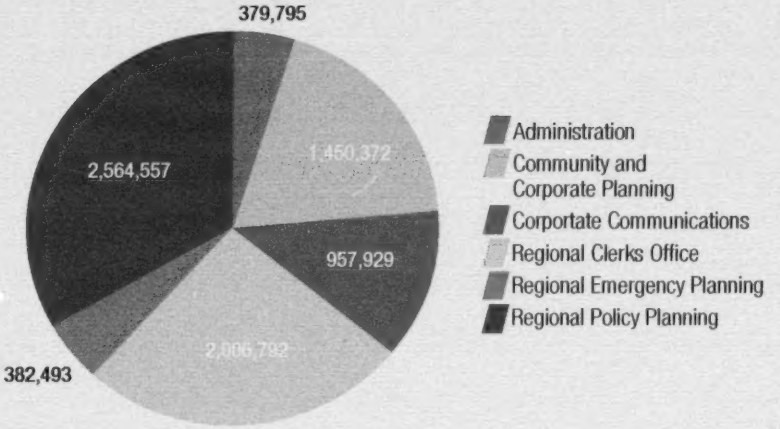
ICP: Budget Summary (Gross $7,741,938, Net $7,343,716)

The 2014 operating budget of $7,343,716 represents an increase of $291,348 (4.13 per cent) over 2013. Approximately $191,348 (2.71per cent) of this increase is due to contractual and inflationary costs. For Council's consideration, ICP presented a business case of $100,000 (1.42 per cent) to support initiatives related to Agricultural Action Plan initiatives. Levy avoidance measures were taken through continued use of in-house graphic design, printing and business cards productions, limited use of external consultants, strategic use of existing reserves, partnerships, and by encouraging labour force development and Youth Retention Strategy.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	4,675,892	4,895,773	5,057,113	5,188,661
Administrative Expenses	187,590	220,163	205,454	210,054
Materials, Supplies & Utilities	282,985	287,815	299,115	304,365
Repairs & Maintenance	53,350	78,350	78,300	78,300
Purch. Serv. & Other Operating Exp.	1,784,574	1,891,055	2,128,751	2,068,851
Financial Expenditures	1,000,000	1,000,000	1,100,000	1,200,000
Capital Equipment & Renovations	15,265	19,582	21,792	20,760
Allocations Between Departments	(629,373)	(650,800)	(663,612)	(676,717)
Allocations Within Departments	-	-	-	-
Allocations to Capital Program	-	-	-	-
Gross Expenditure	**7,370,283**	**7,741,938**	**8,226,913**	**8,394,274**
Ontario/Canada Grants	-	-	-	-
Fees & Service Charges	(81,000)	(81,000)	(81,000)	(81,000)
Other Revenue	(110,000)	(110,000)	(110,000)	(110,000)
Transfers from Reserves & Reserve Funds	(126,915)	(207,222)	(35,000)	-
Gross Revenue	**(317,915)**	**(398,222)**	**(226,000)**	**(191,000)**
Net Direct Expenditure before Indirect Allocation	**7,052,368**	**7,343,716**	**8,000,913**	**8,203,274**
Indirect Allocation	(176,829)	(305,195)	(315,072)	(311,376)
Debt Allocation	632,814	630,616	646,384	662,544
Net Indirect Allocation	**455,985**	**325,421**	**331,312**	**351,168**
Net Expenditure/(Revenue) after Indirect Allocation	**7,508,353**	**7,669,137**	**8,332,225**	**8,554,442**

*Includes in year budget adjustments

ICP: Operating Budget



Integrated Community Planning (ICP)

ICP: Summary of Budget Drivers

Integrated Community Planning follows Council's mandate and the budget is driven by the 2012-2015 Council Business Plan. Some of the most pressing priorities for 2014 are: 2014 FCM Conference planning; Greater Niagara Circle Route Asset Management Strategy, Lakefront Enhancement Strategy; Imagine Niagara, Council Inauguration/orientation, Council Chamber renovation and Paper light, Human Services Planning, Agricultural Action Plan Initiatives, Culture Plan Implementation, Building a 'Disaster Resilient Niagara', and ongoing public engagement to support Regional and departmental initiatives.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	7,052,368	7,343,716	8,000,913
+/-Savings /Revenue Adjustments	-	-	-
+/- Other Adjustments	-	-	-
+/-Program Changes	100,000	270,000	180,000
+/-Contractual Costs	191,348	387,197	22,361
Current Year	7,343,716	8,000,913	8,203,274

ICP: Capital Program

The capital budget of $1 million is to support implementation initiatives resulting from completion of the Lakefront Enhancement Strategy expected to be finalized in early 2014. Previous Council perspectives have anticipated land acquisition will be the focus of implementation through partnerships with local municipalities and the Niagara Peninsula Conservation Authority (NPCA) (perhaps others). In addition to acquisition as an implementation tool, the findings from the consultation process have identified planning and feasibility studies and construction, design and installation projects as implementation tools.

Project ID	Project Description	Gross Capital Request
ZPL1401	Lakefront Enhancement Strategy Implementation	1,000,000

Integrated Community Planning (ICP)

ICP: Performance Metrics

Created in 2009, the Integrated Community Planning Department is made up of six areas that serve Niagara residents in many different ways. The theme that runs through each division is a focus on citizen engagement, using feedback from residents, staff and Council to promote Council's economic, social, environmental and cultural priorities. This department provides internal and external support through the planning, programs and services provided, and ICP is integral in moving many projects forward. This department is considered a hub for integration and partnership development.

Financial Value

What are we measuring?

Measure: Reduction cost for service production

What is it? Displays the cost savings for services provided by ICP in house versus those outsourced or produced on an ad-hoc basis within individual departments. This metric includes:

- Print shop cost savings; savings generated by using the print shop for black and white copies vs. department copiers. (Only large jobs captured as envelopes or single copies would not be sent to the print shop)
- Savings in graphic design produced internally through the communications division vs. outsourced

What is out target? Maintain a centralized intermal cost per item below ad-hoc departmental or outsourced services.

How did we do?
Current Q2 Value: $38,394
Previous Q1 Value: $34,060

Variance to target: Meets target-with a cost savings of $38,394 for creative design servicesICP: Performance Metrics Cont'd

Organizational Efficiency

What are we measuring?

Measure: % of official plans approved within 180 days

What is it? This is the mandated timeframe in the Planning Act and it tells us if we are achieving this standard

What is our target? 100%

How did we do?
Current Q2 Value: 100%
Current Q1 Value: 100%

Variance to target: Target met-all official plans continue to be brought forward to Regional Council well before 180 days after adopted by the local municipality

Integrated Community Planning (ICP)

ICP: Performance Metrics Cont'd

People Capacity

What are we measuring?

Measure: Employee engagement survey results

What is it? A measurement of satisfaction and engagement to ensure continual improvement on employee performance. As a service based organization, high engagement levels are imperative.

What is our target? To maintain an engagement driver score higher than the database that contains survey results from 150 organizations (80,000 people responded and 2/3 of organizations are public sectore, the remaining are private sector.)

This year's target: 63.3%

How did we do?
Current Q2 Value: 67.5%
Current Q1 Value: 67.1%

Variance to target: This is a good news story for Niagara Region. In comparison to many other organizations, our corporate engagement of employees is much higher. Breaking these survey results down will identify areas where the Region can continue to improve.

Client View/Impact

What are we measuring?

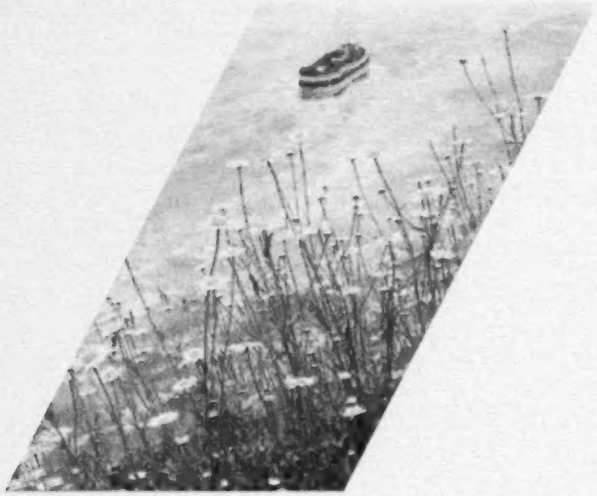
Measure: Time spent on Region web site

What is it? Reducing the amount of time visitors spend on our web site indicates that customers can find and understand the information they have found.

What is our target? Average of 2 minutes per visit

How did we do?
Current Q2 Value: 2 minutes and 6 seconds
Current Q1 Value: 2 minutes and 9 seconds

Variance to target: This target was met (within 0-5% of target) indicating that customers were able to quickly and efficiently find and understand the information sought through the website.



Public Health (PH)

Department Overview

Niagara Region Public Health is committed to the public health needs of our community. We demonstrate this commitment through health protection, disease prevention, health promotion, and injury prevention programs.

Public Health delivers health programs and services in the following areas:

- Communicable disease control
- Immunization
- Sexual health
- Dental health
- Environmental health
- Chronic disease and injury prevention
- Health promotion and information
- Family health
- Emergency Medical Services

PH: Supporting Council Business

Niagara Region Public Health believes that being strongly connected to our community of communities is vital to optimizing the health of Niagara.

Public Health's four-year strategic plan (2012 - 2015) aligns with and supports Council's Business Plan with the commitment to being action-oriented, results driven and sustainable. The strategic directions include: being accountable to Niagara residents and visitors; to put people first; to strengthen public health practice through collaboration and partnerships; and to enable community health by promoting and/or providing pathways to programs and services. A healthy community is a prosperous one, and health plays a significant role in economic and community development.

Examples of 2014 initiatives supporting Council Business Plan and Public Health's strategic plan include:

- Enhancement of data and surveillance strategy to provide optimal response to infectious disease threats to community health
- Implementation of strategies to increase immunization uptake (e.g., providing parents with better info to make immunization decisions for their children
- Timely and effective detection and identification of food-borne illnesses, associated risk factors and emerging trends in food premises
- Healthy public policy initiatives: healthy food choices at arenas, implementation of a Regional Smoke-Free Outdoor Spaces By-law (pending approval)
- Cavity prevention through a dental sealant program for children
- Ensure service performance continues to deliver the high quality level of emergency medical care expected within Niagara while being attentive to affordability, efficiency and organizational health

Through strong community partnerships, clear accountabilities, and responsive programs and services, Public Health will increase the quality of life for Niagara residents, ensuring the region we call home is a great place to live, study, work and invest.

Public Health (PH)

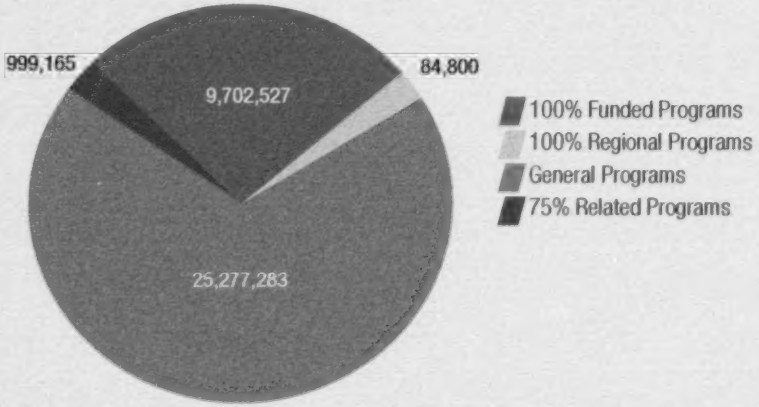
PH: Budget Summary (Gross $36,063,775, Net $4,758,382)

The 2014 Public Health operating budget includes a gross expenditure increase of $816,085 or 2.3 per cent over the 2013 budget. This translates to a net increase of $125,117 or 2.70 per cent over the 2013 budget. The net increase of 2.70 per cent is within guidance for 2014. The net expenditure increase as a percentage is greater than the gross expenditure increase as a result of a decrease in external funding, most notably in the sexual health program. The increase in purchased services and operating equipment is partly due to one-time expenditures to support the implementation of the recreational water program. The program monitors the beach water quality in real time and has proven successful. It was supported financially last year as a pilot program by both the federal and provincial governments. Public health continues to take advantage of opportunities to keep training costs down by using both Brock University and Niagara College facilities to train staff at little or no cost.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	30,497,570	30,964,428	31,630,925	32,263,308
Administrative Expenses	1,089,450	1,111,924	1,130,154	1,147,824
Materials, Supplies & Utilities	1,243,118	1,164,507	1,185,411	1,205,928
Repairs & Maintenance	77,000	104,600	106,178	107,796
Purch. Serv. & Other Operating Exp.	2,283,518	2,592,178	2,409,717	2,353,652
Capital Equipment & Renovations	135,400	210,300	180,300	180,600
Allocations Between Departments	(78,366)	(84,162)	(86,667)	(89,190)
Gross Expenditure	**35,247,690**	**36,063,775**	**36,556,018**	**37,169,918**
Ontario/Canada Grants	(29,763,653)	(30,518,814)	(31,047,779)	(31,550,388)
Fees & Service Charges	(353,000)	(397,000)	(397,000)	(396,996)
Other Revenue	(497,772)	(218,001)	(218,001)	(218,004)
Transfers from Reserves & Reserve Funds	-	(171,578)	-	-
Gross Revenue	**(30,614,425)**	**(31,305,393)**	**(31,662,780)**	**(32,165,388)**
Net Direct Expenditure before Indirect Allocation	**4,633,265**	**4,758,382**	**4,893,238**	**5,004,530**
Indirect Allocation	4,706,841	4,255,089	4,401,124	4,513,514
Debt Allocation	2,155,538	1,925,634	1,973,777	2,023,122
Net Indirect Allocation	**6,862,379**	**6,180,723**	**6,374,901**	**6,536,636**
Net Expenditure/(Revenue) after Indirect Allocation	**11,495,644**	**10,939,105**	**11,268,139**	**11,541,166**

*Includes in year budget adjustments

PH: Health Programs Operating Budget



Public Health (PH)

PH: Summary of Budget Drivers

Looking ahead to 2015 and 2016, personnel costs continue to be the largest expenditure in the operating budget, accounting for 86 per cent of the overall expenditures. Ministry revenue is forecast to increase at two per cent annually as health continues to be a stated priority for the provincial government.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	4,633,265	4,758,382	4,893,238
+/-Savings /Revenue Adjustments			
Vector Borne Disease Larvacide Contract	(30,000)	-	-
Video Conferencing for Medication Monitoring	(12,000)	-	-
Funding for Pharmacy Assistance of Flu Clinics	(12,282)	-	-
Ministry Funding	(392,458)	(419,486)	(442,550)
+/- Other Adjustments	-	-	-
+/-Program Changes	-	-	-
+/-Contractual Costs			
Personnel	377,233	443,835	453,423
Dental Services	77,000	-	-
Computer Software and Hardware	58,950	-	-
Other	58,674	110,507	100,419
Current Year	**4,758,382**	**4,893,238**	**5,004,530**

PH: Performance Metrics

All potential exposures to rabies are investigated within 24 hours of notification in compliance with the Ontario Public Health Standards Rabies Prevention and Control Protocol

Rabies is a zoonotic disease. This means it can be transmitted to humans from other species, such as a dog, cat or raccoon (usually as the result of a bite or scratch). The rabies virus infects the central nervous system causing disease in the brain and is almost always fatal if post-exposure prophylaxis (vaccine) is not administered prior to the onset of symptoms. Niagara Region Public Health initiates investigation of every suspected rabies exposure within 24 hours of notification. Where the suspect animal can be identified, quarantine is imposed for at least 10 days from the date of exposure. Where the animal cannot be traced or does not survive the quarantine period, rabies vaccine is administered through the receiving hospital or family physician. In 2012, 1,151 rabies investigations were conducted and the vaccine was issued on 57 occasions.

4,326 callers provided with parenting information and support

Parents look to speak to experts when it comes to questions about caring for their children. Through Niagara Region Public Health, parents spent 73,499 minutes speaking to a public health nurse on the Parent Talk Line (PTL) to obtain information and support around a variety of child health and parenting topics. Almost one quarter of the calls to the PTL resulted in being able to effectively link families to additional parenting resources and services available across Niagara.

The use of an electronic call management system allows Public Health to more efficiently structure and streamline programs offered based on call volume, nature of call and ability to access services as needed. The 2012-2013 system reports indicated a high demand for breastfeeding support. As a result of the PTL demand for this information, enhancements to the breastfeeding service occurred and resulted in 1,098 breastfeeding clinic appointments for families.

Public Health (PH)

PH: Niagara Emergency Medical Services (PH – EMS)

Niagara Emergency Medical Services (EMS) is committed to providing high quality, emergency, pre-hospital care to all residents and visitors of Niagara. The service is made up of advanced care and primary care paramedics, system status controllers (emergency medical dispatchers), 17 ambulance bases across the region and one community response unit.

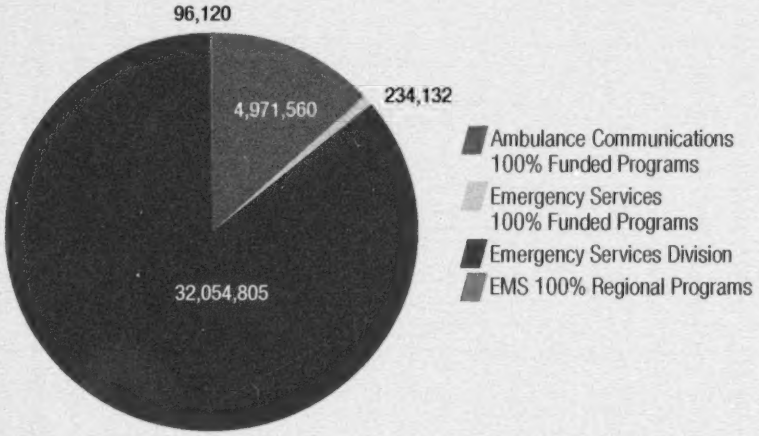
PH – EMS: Budget Summary (Gross $37,356,617, Net $14,721,308)

For the 2014 budget, Niagara EMS is showing an overall increase in their operating budget from 2013 of $358,099 (2.49 per cent). The primary driver for this increase is personnel costs. In addition, Niagara EMS has once again increased their capital reserve contribution by $100,000 (2014), to help support the increase in their capital program requirements.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	30,603,708	32,060,233	32,740,858	33,393,338
Administrative Expenses	205,750	199,508	199,508	199,508
Materials, Supplies & Utilities	1,909,750	1,932,672	1,996,796	2,029,296
Repairs & Maintenance	820,500	718,988	750,382	772,838
Purch. Serv. & Other Operating Exp.	1,182,358	1,074,717	1,082,085	1,082,229
Capital Equipment & Renovations	206,918	157,808	215,814	220,130
Transfers to Reserves & Reserve Funds	1,090,030	1,192,560	1,392,560	1,592,560
Allocations Between Departments	20,309	20,131	20,188	20,247
Gross Expenditure	**36,039,323**	**37,356,617**	**38,398,191**	**39,310,146**
Ontario/Canada Grants	(21,656,114)	(22,519,740)	(23,166,665)	(23,820,059)
Fees & Service Charges	-	(2,004)	-	-
Other Revenue	(20,000)	(113,565)	(102,000)	(102,000)
Transfers from Reserves & Reserve Funds	-	-	-	-
Gross Revenue	**(21,676,114)**	**(22,635,309)**	**(23,268,665)**	**(23,922,059)**
Net Direct Expenditure before Indirect Allocation	**14,363,209**	**14,721,308**	**15,129,526**	**15,388,087**
Indirect Allocation	1,993,896	2,040,069	2,099,351	2,167,487
Debt Allocation	1,031,338	1,220,153	1,250,656	1,281,922
Net Indirect Allocation	**3,025,234**	**3,260,222**	**3,350,007**	**3,449,409**
Net Expenditure/(Revenue) after Indirect Allocation	**17,388,443**	**17,981,530**	**18,479,533**	**18,837,496**

*Includes in year budget adjustments

Public Health Niagara EMS



Public Health (PH)

PH – EMS: Budget Drivers

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	14,363,209	14,721,308	15,129,526
+/-Savings /Revenue Adjustments			
Tuition reimbursement	(37,000)	-	-
Repairs and Maintenance	(100,796)	-	-
Visual Identity Branding	(50,000)	-	-
Other Contractual	(25,000)	-	-
Utilities	(22,000)	-	-
Media Communications	(15,000)	-	-
RRIT savings/revenue generation	(164,938)	-	-
MOHLTC Revenue	(781,692)	(646,925)	(653,394)
+/- Other Adjustments	-	-	-
+/-Program Changes			
Supply Technicians	120,308		
+/-Contractual Costs			
Personnel Costs	1,324,217	680,625	652,480
Capital Reserve Contribution	100,000	200,000	200,000
Others	10,000	174,518	59,475
Current Year	**14,721,308**	**15,129,526**	**15,388,087**

PH – EMS: Capital Program

As part of Niagara EMS' annual vehicle replacement program, based on a 60-month replacement cycle, the service replaces eight to nine ambulances within the fleet each year. These replacement ambulances are more fuel efficient as enhanced technology reduces idle times, require less maintenance than traditional ambulances as engine wear is less, extend vehicle life, and reduce carbon emissions contributing to a greener environment. An integrated safety system built into the vehicle information system identifies and supports the management of speeding infractions and sense unbelted, unsecured occupants through an emergency warning system. These vehicles can create driver safety reports and set predefined speed limits.

In addition, Niagara EMS is looking at new power stretchers in 2014. Traditionally, 40 per cent of paramedic injuries are related to the use of stretcher equipment. These power stretchers will assist in creating a much safer work environment for staff and patients. These stretchers will move the service closer to a zero lift environment and help to achieve its Road to Zero goal.

Project ID	Project Description	Gross Capital Request
ZGR1402	Ambulance and Equipment Replacement	2,475,412

Public Health (PH)

PH - EMS Performance Metrics

Niagara Emergency Medical Services overall response time is in 90th percentile

In 2012, the 90th percentile response time for an ambulance was nine minutes and 51 seconds. This is better than the provincial legislated requirement of 10 minutes, 48 seconds. New in 2013 is a Ministry of Health and Long-Term Care requirement for all emergency medical services to publically report their expected response time standard. Niagara EMS personnel, paramedics and dispatchers, are incredibly dedicated to their profession and the service they provide to Niagara's residents, and our exceptional performance provincially attests to this.

Niagara EMS also operates a state of the art dispatch centre for 9-1-1 calls under contract from the Ministry of Health and Long-Term Care and is required to provide equitable and seamless service throughout the Niagara region. Using a highly sophisticated model of deployment, resources are strategically positioned based on call demand while balanced with geographical coverage. Niagara EMS' high performance system and effective use of resources means ambulances return more quickly to the community and are available to respond to other service demands.

The Niagara Region is well positioned to begin exploring other ways to leverage the services provided by Niagara EMS to improve health care to all residents in Niagara. Niagara EMS is already a leader in Canada, seeking ways to improve access to care at the first point of contact, and to decrease wait times with new and innovative programs.

Public Works (PW)

Department Overview

Every resident, property owner, business and rate payer in Niagara is in some way affected by the programs and services provided by Niagara Region's Public Works department. The Public Works department is responsible for a 770 km network of Regional roads that provide vital transportation links between Niagara's municipalities and connect with the larger provincial road network that link Niagara with the neighboring communities and markets.

The Public Works department provides and coordinates waste, recycling and organics collection services, diversion programs and associated disposal or processing of material, delivering the same, consistent base level of service to all 12 municipalities in Niagara. The department is responsible for treating and delivering clean drinking water to 11 of Niagara's municipalities as well as treating the wastewater generated in Niagara, ensuring that this water is safe to return to our lakes and rivers.

The Public Works department plays a critical role in fostering residential, commercial and business development in the Region through the coordination of land use, infrastructure and investment planning. The department manages more than 1,000 applications annually to ensure that growth is socially, financially and environmentally sustainable.

Infrastructure projects create jobs in Niagara by employing people in the design, development and construction of roads, bridges and facilities. The creation and maintenance of good infrastructure also has the added benefit of creating the right environment for future economic growth and development.

The department's investments in public infrastructure contribute significantly to Council's economic growth and job creation goals. Public Works' services provide capacity to support business retention, expansion and attraction across Niagara in existing urban areas, Economic Zones and Centres and designated employment lands.

The Region's transportation network provides the foundation for future economic development by interlinking our people, businesses and products and making them accessible to expanding marketing opportunities nearby.

Governing legislation

There are more than 55 pieces of individual federal and provincial legislation and regulations that govern the activities of the Public Works department. In many cases this legislation directs and requires Niagara Region to provide and maintain numerous services, service levels and activities for the health, safety and well-being of the community.

Water and Wastewater Division

Niagara Region provides wholesale potable water and wastewater services to 11 area municipalities across the region through the operation and maintenance of plants, wastewater facilities and supporting pump stations, reservoirs and elevated water towers.

Wastewater services: In 2012, 70 billion litres of wastewater was treated at 11 plants, and collected through 123 pump stations and 285 km of wastewater mains

Water Services: In 2012, 60 billion litres of potable water was produced at six plants and transmitted through 39 facilities and 323 km of water mains.

Public Works (PW)

Waste Management Division

Waste Management managed over 258,000 tonnes of material in 2012 and a residential waste diversion rate of 51.53 per cent was achieved. The division is responsible for the planning, management and operations of waste management facilities, programs and services throughout the region, including:

- Operating and maintaining two Regional landfills, a Recycling Centre, Municipal Hazardous & Special Waste (MHSW) facility, MHSW event days, four public drop-off depots, and special diversion program and events
- Management of long-term organics processing and disposal contracts
- Providing residential and commercial curbside, waste, recycling and organics collection programs
- Perpetual care of 12 closed landfills
- Program education, outreach and enforcement

Development Services Division

Development Services reviewed 560 development applications and 65 municipal servicing applications, plus approved and inspected 380 private sewage systems in 2012.

Applications reviewed or processed through Niagara Region include:

- Zoning by-law amendments
- Site plans
- Development charge waivers
- Environmental assessments (EA)
- Local official plan amendments
- Municipal servicing approvals
- Community improvement plans
- Connections to Regional services
- Draft plans of subdivision and condominiums
- Niagara Escarpment Commission development permits
- Minor variances
- Private sewage systems
- Consents (land severances)

Transportation Services Division

The Region is responsible for the planning, design, construction and maintenance of approximately 770 km of major arterial roads, including more than 179 bridges and culverts, as well as signs and traffic signals. Transportation Services also funds the operation of Niagara Specialized Transit and Niagara Region Transit, a pilot inter-municipal transit service with bus routes between St. Catharines, Thorold, Niagara Falls and Welland, and extended feeder service to Port Colborne and Fort Erie.

Public Works (PW)

PW: Supporting Council Business

The Public Works Department's Work Plan is aligned with the themes and actions of Council's approved 2012-2015 Business Plan. In addition to the activities undertaken in 2013, the Public Works Department has a number of initiatives planned for 2014 that will further support the Council Business Plan. Major initiatives include:

Responsive Region

- Development Services performance benchmarking; quarterly report metrics, over 97 per cent on time delivery
- Lean Transportation Operations
- Transportation Services Operations Delivery Review
- Maintenance Management System (MMS) for enhanced maintenance and operations
- Residential waste diversion rate & performance benchmarking
- Service level review for next collection contract
- Benchmarking & quality management system (QMS) continuous improvement
- Sustainable fiscal plan

Open For Business

- Lean Process reviews & implementation
- Over 360 pre-consultation meetings with local area municipalities per year
- Offering iDarts as a common GIS & planning tool – efficient processing & data sharing
- Continue Federal/Provincial funding support and strategies initiatives
- EA Humberstone landfill capacity expansion
- Continue Federal/Provincial funding support and strategy initiatives
- Combined sewer overflows (CSO) & WaterSmart Partnerships with local area municipalities (LAM)
- Federal/Provincial Funding Strategy Initiatives & Opportunities

Governance Review

- Niagara Planning System MOU improvements
- Development Charge Administration: Services Level Agreement
- Water/Wastewater Review – next steps

Integrated Transportation Systems

- Transit Next Steps
- Transportation Master Plan

Environmentally Responsible

- Assessment of alternative diversion & disposal technologies for municipal waste management & biosolids
- Waste Management Maintenance Management System project initiation
- Energy management plans & conservation
- Implementation of curbside and depot diversion programs

Public Works (PW)

Water and Wastewater: Budget Summary (Gross $109,627,180, Requisition ($107,222,141))

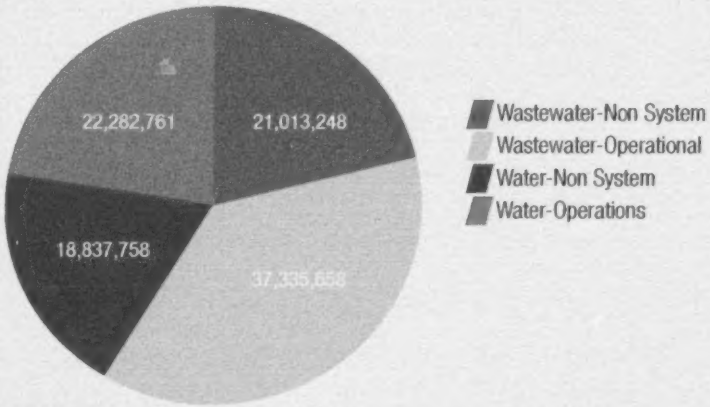
The Water and Wastewater Divisions' 2014 budget amount of $107,222,141 represents a $445,043 million net decrease (-0.41per cent) from the 2013 budget. $64,928,122 of this total net cost is related to the Wastewater program, representing a net decrease of $477,680 (-0.73 per cent) from 2013. The remaining $42,294,019 relates to the Water program, which has increased by $32,637 from the prior year.

The total program cost includes both operating related expenditures (representing 56 per cent of total), as well as transfers to reserve and debt charges in support of the capital program (representing 44 per cent of the total). The 2014 budget maintains the FTE complement at 2013 levels (233 FTEs). Further, the budget includes one program change that will provide $750,000 to clean the intake at the Grimsby Water Treatment Plant. The need for this work was identified as part of inspections of this 2km length of intake, and as it is a one-time cost funding will be provided from reserve to fund the work in 2014.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	21,104,033	21,445,790	21,988,090	22,764,219
Administrative Expenses	550,590	513,640	523,313	533,179
Materials, Supplies & Utilities	13,932,156	13,518,018	13,939,520	14,503,791
Repairs & Maintenance	7,787,831	8,537,731	7,933,486	8,082,155
Purch. Serv. & Other Operating Exp.	13,781,171	12,717,300	13,069,313	13,532,348
Capital Equipment & Renovations	145,149	168,980	172,359	175,807
Transfers to Reserves & Reserve Funds	39,210,560	40,151,006	39,737,721	39,999,806
Allocations Between Departments	1,972,798	2,011,544	2,069,123	2,116,938
Allocations Within Departments	941,703	972,416	988,656	1,003,609
Allocations to Capital Program	(567,306)	(567,000)	(580,490)	(592,196)
Gross Expenditure	**98,758,685**	**99,469,425**	**99,841,091**	**102,119,656**
Taxation - Rate	(107,667,184)	(107,222,141)	(109,732,446)	(112,763,111)
Ontario/Canada Grants	-	-	-	-
Fees & Service Charges	(1,456,281)	(1,643,039)	(1,675,810)	(1,709,236)
Other Revenue	(27,500)	(12,000)	(12,240)	(12,485)
Transfers from Reserves & Reserve Funds	-	(750,000)	-	-
Gross Revenue	**(109,150,965)**	**(109,627,180)**	**(111,420,496)**	**(114,484,832)**
Net Direct Expenditure before Indirect Allocation	**(10,392,280)**	**(10,157,755)**	**(11,579,405)**	**(12,365,176)**
Indirect Allocation	3,111,430	3,041,608	3,109,712	3,198,478
Debt Allocation	7,280,850	7,116,147	8,469,693	9,166,698
Net Indirect Allocation	**10,392,280**	**10,157,755**	**11,579,405**	**12,365,176**
Net Expenditure/(Revenue) after Indirect Allocation	-	-	-	-

*Includes in year budget adjustments

Water and Wastewater: Operating Budget



Public Works (PW)

Water and Wastewater: Summary of Budget Drivers

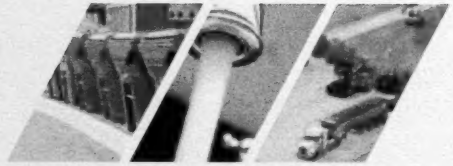
The net decrease of $445,043 in the combined Water and Wastewater program cost in 2014 has been achieved through a number of cost savings and optimization efforts. The largest area of savings ($727,813) was created in the Liquid Biosolids & Residuals Management contract that was awarded in 2013, due to competitive bidding and the results of an internal process review that applied Lean principles. In addition, decreases were also reflected in the cost of other purchased services, materials, and overtime, resulting in a total cost mitigation of $1,960,084.

Cost pressures in 2014 were primarily in the form of capital financing ($917,329), as part of the long-term capital financing strategy for the Water and Wastewater program, as well as personnel costs ($504,522).

Going forward areas of pressure currently anticipated for the years 2015 and 2016 include escalating inflation in contracts (such as sludge disposal), chemicals and utilities, impacts resulting from the Wastewater System Effluent Regulations, and the anticipated operational costs of the new Niagara-on-the-Lake WWTP. The majority of the costs pressure is expected in the wastewater program, in part due to the implementation of the capital financing plan which has identified a greater need for wastewater-related projects.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	107,667,184	107,222,141	109,732,446
+/-Savings /Revenue Adjustments			
Liquid Biosolids & Residuals Management Contract	(727,813)	-	-
Materials, Supplies & Admin. (incl. Optimization)	(351,088)	-	-
Purchased Services (Waste Disposal, Consulting, etc.)	(336,058)	-	-
Indirect Cost Allocation (excl. Capital Financing)	(211,408)	-	-
Other Revenue (Sewage Surcharge, etc.)	(171,258)	(33,011)	(33,671)
Overtime & Related Pay (due to shift changes)	(162,459)	-	-
+/- Other Adjustments			
Capital Financing (Transfer to Reserve & Debt Charges)	917,329	935,676	954,389
+/-Program Changes			
Water Treatment Plant - Intake Cleaning			
Repair & Maintenance	750,000	-	-
Transfer from Reserve	(750,000)	-	-
Wastewater System Effluent Regulation	-	25,000	-
NOTL WWTP	-	-	500,000
+/-Contractual Costs			
Personnel Costs (net of recovery from capital)	504,522	528,168	513,865
Materials, Supplies & Purchased Services	-	748,515	777,307
R&M, Capital Equipment & Other	93,190	305,957	318,775
Current Year	**107,222,141**	**109,732,446**	**112,763,111**

Public Works (PW)



Water and Wastewater: Capital Programs

The 2014 water and wastewater capital program totals $102,975,000, and features construction funding for two significant plant-related projects. $43,000,000 has been included for the Niagara-on-the-Lake Wastewater Treatment Plant which is being funded in partnership with the Federal and Provincial Governments as part of the Building Canada Fund. Further, $27,000,000 is identified for upgrades to the Welland Water Treatment Plant based on aging and condition of the current facility.

In total $72,600,000 will be invested in plants in 2014, with another $18,250,000 in linear and pump station work, $5,300,000 in combined sewer overflow control partnerships with Local Area Municipalities, and $6,825,000 in various other storage and upgrade-related investments.

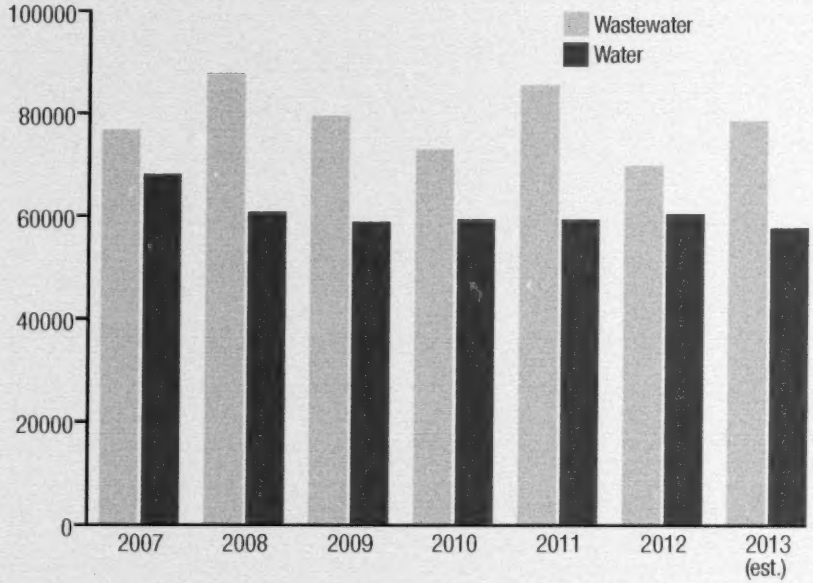
Project ID	Project Description	Gross Capital Request
ZCW1304	Miscellaneous Program (Misc Prgm) - Port Colborne Storage	4,730,000
ZCW1401	Misc Prgm - Centralized Maintenance Facility & Emergency Operations Centre	500,000
ZCW1406	Water Treatment Plant (WTP) Upgrade Program - Welland WTP upgrade	27,000,000
ZCW1407	Misc Prgm - Chemical System Upgrade Program	350,000
ZCW1408	Watermain Program (WM Prgm) - Welland WTP Watermains - West Side and East Side	200,000
ZCW1409	WTP Upgrade Program - Decew WTP Distribution Feed Upgrade	100,000
ZCW1410	Misc Prgm - Reservoir & Storage Program	250,000
ZCW1411	WTP Upgrade Program - Roof replacement program at Water facilities	2,500,000
ZCW1412	WM Prgm - Watermain Evaluation and Replacement Program	275,000
Total		**35,905,000**
ZSW0115	Sewer & Forcemain Program - Stevensville Sewage Pump Station Forcemain	1,500,000
ZSW0807	Wastewater Treatment Plant (WWTP) Capacity Expansion - Niagara-on-the-Lake Wastewater Servicing WWTP Capacity Expansion	43,000,000
ZSW1403	Misc Prgm - Centralized Maintenance Facility	500,000
ZSW1404	Misc Prgm - Permanent Flow Meters in Sewers	225,000
ZSW1405	Misc Prgm - Roof Replacement Program	250,000
ZSW1406	Pumping Station Improvement Program (Design / Construction)	3,000,000
ZSW1409	Sewer Relining Program	1,025,000
ZSW1410	Wet Weather Flow/Combined Sewer Operations Control Program	5,300,000
ZSW1414	Misc Prgm - Lab Equipment Upgrade	20,000
ZSW1415	Sewer & Forcemain Prgm - Sewer and Forcemain Program	2,250,000
Total		**67,070,000**

Water and Wastewater: Performance Metrics

Water and Wastewater: Flows

The Water and Wastewater Division tracks the flow of water produced by Niagara Region as well as the flow of wastewater that is treated by the Region. These numbers provide an historical basis for the prediction of future water use. Predictions on future water flows are one of the primary drivers behind the setting of the water rate for the coming year. An increase in wet weather, including snow melts, increases the amount of wastewater that needs to be treated.

Hisorical Volumes (Flows 1,000 m^3)



Public Works (PW)

Waste Management: Budget Summary (Gross $49,768,945, Requisition ($35,345,808))

The 2014 Waste Management net budget of $35,345,808 represents a $394,774 (1.13 per cent) increase from 2013. As much of the program is delivered through partnerships with private sector service providers, 82 per cent of the operating-related costs are in the form of outsourced costs (alternative service delivery).

Approximately 42 per cent of the net budget is related to the waste collection and disposal program areas, followed by 25 per cent for organics collection and processing, 12 per cent for recycling collection and processing and the remaining net budget is for a range of other diversion programs, planning, and administration.

Program changes that are included in the 2014 budget support the Region's effort to continue to increase the diversion rate with a focus on areas such as mattress/box spring and carpet/underpad recycling, and the multi-residential electronics collection pilot. In addition, a consolidation of the number of Municipal Hazardous & Special Waste program event days is proposed based on an analysis of participation rates, volumes received and contract costs and to align service levels with the funding provided and municipal comparators.

The 2014 budget maintains the existing FTE complement at the 2013 level (33 FTEs).

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	3,558,200	3,719,372	3,817,600	3,908,587
Administrative Expenses	300,788	306,770	309,347	311,976
Materials, Supplies & Utilities	3,816,890	2,924,291	2,420,943	2,150,666
Repairs & Maintenance	806,077	849,271	843,094	859,956
Purch. Serv. & Other Operating Exp.	36,735,603	35,902,617	36,709,011	37,676,396
Capital Equipment & Renovations	73,265	61,154	61,154	61,154
Transfers to Reserves & Reserve Funds	552,483	784,034	850,050	3,130,542
Allocations Between Departments	144,690	165,943	170,556	175,384
Allocations Within Departments	176,329	186,312	191,081	195,472
Allocations to Capital Program	(177,753)	(181,300)	(185,614)	(189,357)
Gross Expenditure	**45,986,572**	**44,718,464**	**45,187,222**	**48,280,776**
Taxation - Rate	(34,951,034)	(35,345,808)	(36,446,143)	(37,381,640)
Ontario/Canada Grants	(3,376,715)	(4,089,850)	(4,089,850)	(4,089,850)
Fees & Service Charges	(3,488,092)	(3,102,875)	(3,118,875)	(3,163,187)
Other Revenue	(9,520,243)	(7,230,412)	(6,605,929)	(6,535,959)
Transfers from Reserves & Reserve Funds	-	-	-	-
Gross Revenue	**(51,336,084)**	**(49,768,945)**	**(50,260,797)**	**(51,170,636)**
Net Direct Expenditure before Indirect Allocation	**(5,349,512)**	**(5,050,481)**	**(5,073,575)**	**(2,889,860)**
Indirect Allocation	1,107,236	912,974	926,797	947,119
Debt Allocation	4,242,276	4,137,507	4,146,778	1,942,741
Net Indirect Allocation	**5,349,512**	**5,050,481**	**5,073,575**	**2,889,860**
Net Expenditure/(Revenue) after Indirect Allocation	-	-	-	-

*Includes in year budget adjustments

Public Works (PW)

Waste Management: Summary of Budget Drivers

The largest pressure on the 2014 Waste Management program results from the reduction in revenue from recyclables that has been incorporated in the budget. Recyclables revenue includes a $2,395,758 reduction due to lower recycling market pricing and the expiration of the existing contract that Niagara Region has with the Region of Waterloo to process fibre materials. Once the related processing and material costs as well as the projected changes in market pricing are incorporated, the net budget impact in 2014 for recycling revenue equals a $939,841 pressure. When combined with other pressures such as a reduction in tipping fee revenues due to lower incoming waste tonnages, capital financing and personnel costs, the gross budget pressure in 2014 amounts to $1,751,380.

This total pressure has been largely mitigated through additional revenue and cost reductions that amount to $1,271,523. Funding for the Blue Box program from Waste Diversion Ontario and for the Municipal Hazardous and Special Waste (MHSW) program are the most notable source of mitigation, however reductions in contracted costs as a result of favourable RFP results and reduced tonnage estimates, as well as other cost reductions, have also contributed to the net 2014 change of 1.13 per cent.

Pressures anticipated in the years 2015 and 2016 include escalation in the cost of existing contracts based on fixed inflationary escalators, a continuation of the potential loss of the net revenue currently generated through the enterprising agreements Niagara Region holds with Waterloo and Haldimand, as well as the costs to continue to increase the Region's rate of diversion. Staff will continue to identify opportunities to mitigate these anticipated pressures through either cost saving or revenue generating initiatives. Updates to Council on the market pricing for recyclables and the resulting impact on the Region's revenues will continue to be provided.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	34,951,034	35,345,808	36,446,143
+/-Savings /Revenue Adjustments			
Increased Program Funding from WDO, MHSW, etc.	(681,035)	-	-
Removal of Curbside Electronics Collection Program	(254,400)	-	-
Savings in Purchased Services & Other (Collection, Landfill O&M, materials, etc.)	(198,041)	-	-
Indirect Cost Allocation (excl. Capital Financing)	(138,047)	-	-
+/- Other Adjustments			
Recycling Revenue & Facility Operations Cost	939,841	(228,139)	(398,030)
Other Revenue (Tip Fees, Garbage Tags, etc.)	279,291	(16,000)	(44,312)
Capital Financing (Transfer to Reserve & Debt Charges)	70,567	71,626	72,701
+/-Program Changes			
Mattress & Carpet Drop-Off Depot Pilot	121,349	-	-
Curbside Setout Survey	111,516	-	-
Bulky/White Goods Collection at Multi-Res. & Mixed Use	25,517	-	-
O&M of Gas Collection & Flare System at Humberstone	50,000	-	-
Consolidation of MHSW Event Days	(34,300)	-	-
Other (Battery Collection, WEEE Pilot, Illegal Dumping, Dog Park)	28,968	175,000	25,000
+/-Contractual Costs			
Inflation in Purchased Services & Other (Collection, Landfill O&M, materials, etc.)		1,003,933	1,192,893
Personnel Costs (net of recovery from capital)	73,549	93,915	87,244
Current Year	**35,345,808**	**36,446,143**	**37,381,640**

Public Works (PW)

Waste Management: Capital Programs

The $5,185,000 investment in waste management capital in 2014 includes three significant projects that combined account for 76 per cent of the program. The $1,500,000 included for the Municipal Hazardous and Special Waste facility will allow this initiative to be expedited based on the results of the request for proposal process in 2014. The $1,245,000 included for the Public Drop-Off Depot Improvements at Bridge Street is to provide optimization of the waste diversion operations at the site, including a potential reusable goods drop-off depot. Meanwhile $1,205,000 for Recycling Centre facility improvements has been included for both sustainability and enhancement purposes, including investments in a polycoat optical sorter, cardboard screen, and other equipment.

Project ID	Project Description	Gross Capital Request
ZGL0903	Humberstone - Landfill Gas Collection System	100,000
ZGL1318	Bridge Street - Public Drop Off Depot Improvements	1,245,000
ZGL1325	Quarry Road - Site Improvements	50,000
ZGL1409	Annual Programs - Leachate Seep Remediation	50,000
ZGL1411	Annual Programs - Property Acquisition	200,000
ZGL1412	Annual Programs - Well Installation/Removal	100,000
ZGL1415	Recycling Centre - Facility Improvements	1,205,000
ZGL1416	Centre Street - Leash Free Dog Park	85,000
ZGL1417	Glenridge Quarry - Odour Control Facility (OCF) - Decommissioning	30,000
ZGL1418	Maintenance management system (MMS)	200,000
ZGL1419	Mountain Road - Closure Plan (including End Use Concept)	20,000
ZGL1420	NR12 - Pumping Station Upgrades	400,000
ZGL1421	Municipal Hazardous and Special Waste facility	1,500,000
Total		**5,185,000**

Public Works (PW)

Waste Management: Performance Metrics

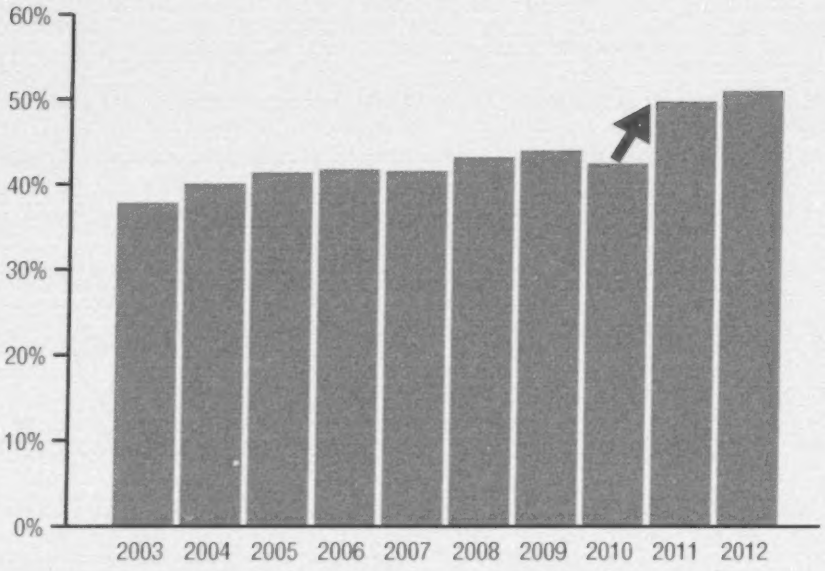
Waste Management: Diversion rates

Since the introduction of new service levels, Niagara's waste diversion rate has steadily increased reaching 52 per cent diversion by the end of 2012. The residential waste diversion rate is the percentage of total residential waste generated that is diverted from disposal in a landfill using various reuse and recycling programs. In Niagara, the Region provides weekly curbside collection of Blue Box, Grey Box and Green Bin materials as well as one can/bag of garbage from all households in Niagara with six units or less. This level of weekly curbside collection service to all municipalities in Niagara was introduced in February 2011. Residents in Niagara continue to demonstrate strong support for the Region's diversion programs with more than 80 per cent of Niagara households consistently participating in the Blue Box program since 2010.

Niagara has been recognized for exemplary achievements in recycling and waste diversion and has received the following awards:

- Recycling Council of Ontario (RCO) gold award in the category of Municipal Communications and Promotions for the 'Ins and Outs Blue Box' promotional campaign and a second gold award in the category of Municipal Programs for the Curbside Battery Collection Pilot
- RCO silver award for the 'Make Your Contribution at the Curb' campaign, which was a joint submission with Emterra Environmental
- Municipal Waste Association silver award in the category of 'Digital Tools (over 30,000 households)' for the 'It's Not so Obvious' web tool
- Ontario Electronic Stewardship program award for outstanding accomplishments in the collection of electronic waste for recycling.

Residential Waste Diversion Rates



Public Works (PW)

Public Works Levy: Budget Summary (Gross $33,078,184, Net $27,608,648)

The Public Works Levy divisions 2014 budget of $27,608,648 (before indirect allocations) represents a $654,002 thousand increase (2.43 per cent) over 2013. The majority of the program cost relate to Transportation Services ($24,509,411), with the balance attributable to Development Services ($937,237) and the Niagara Regional Transit pilot ($2,162,000).

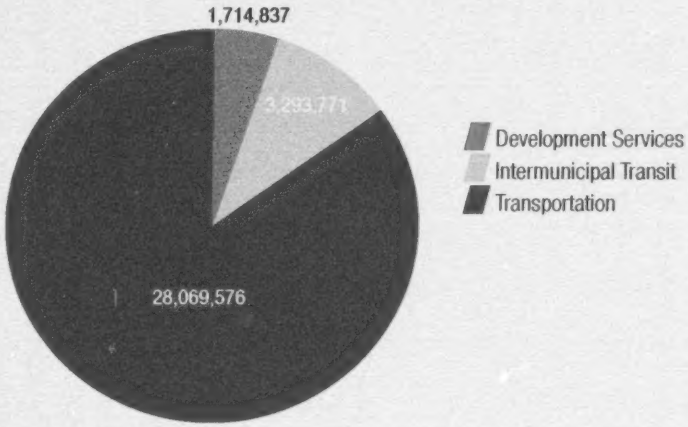
The 2014 Budget includes $150,000 in funding to support the Provincial One-Call legislation, ensuring compliance while minimizing risk. As well a program change has been included to provide $30,000 for the Computerized Maintenance Management System Mobile Solution as part of phase II of the implementation of the new system.

One additional FTE has been included in the 2014 budget in order to replace a portion of the contract administration on transportation capital projects that is currently provided by a third party at a higher cost. This program change is intended to improve control over the quality of projects and generate cost savings within the capital program.

A full year has been budgeted for Niagara Regional Transit pending the outcome of the pilot, with marginal increase fare revenue reflected based on continued growth in ridership.

Public Works (PW)

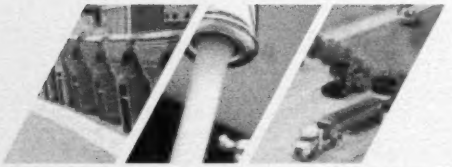
Public Works Levy Operating Budget



Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	17,467,170	17,983,393	18,444,762	18,888,134
Administrative Expenses	1,336,092	1,202,733	1,222,909	1,245,344
Materials, Supplies & Utilities	6,660,346	6,597,320	6,877,999	7,167,257
Repairs & Maintenance	323,500	322,750	329,105	335,587
Purch. Serv. & Other Operating Exp.	7,696,987	8,131,190	8,203,198	8,327,646
Financial Expenditures	500,000	500,000	500,000	500,000
Capital Equipment & Renovations	80,001	118,457	119,399	120,361
Transfers to Reserves & Reserve Funds	2,081,380	2,367,353	2,439,681	2,528,632
Allocations Between Departments	(1,753,595)	(1,866,685)	(1,927,601)	(1,977,496)
Allocations Within Departments	(1,118,032)	(1,158,728)	(1,179,737)	(1,199,081)
Allocations to Capital Program	(1,022,000)	(1,119,599)	(1,146,237)	(1,169,353)
Gross Expenditure	**32,251,849**	**33,078,184**	**33,883,478**	**34,767,031**
Ontario/Canada Grants	(546,203)	(821,936)	(826,711)	(846,367)
Fees & Service Charges	(3,114,600)	(3,181,100)	(3,278,571)	(3,375,993)
Other Revenue	(836,400)	(766,500)	(767,360)	(768,237)
Transfers from Reserves & Reserve Funds	(800,000)	(700,000)	(600,000)	(500,000)
Gross Revenue	**(5,297,203)**	**(5,469,536)**	**(5,472,642)**	**(5,490,597)**
Net Direct Expenditure before Indirect Allocation	**26,954,646**	**27,608,648**	**28,410,836**	**29,276,434**
Indirect Allocation	3,077,141	3,591,350	3,832,841	3,991,877
Debt Allocation	19,249,287	21,111,832	20,558,147	22,894,543
Net Indirect Allocation	**22,326,428**	**24,703,182**	**24,390,988**	**26,886,420**
Net Expenditure/(Revenue) after Indirect Allocation	**49,281,074**	**52,311,830**	**52,801,824**	**56,162,854**

*Includes in year budget adjustments

Public Works (PW)



Public Works Levy: Summary of Budget Drivers

The most notable cost pressure anticipated in 2014 for both Transportation and Development services are personnel costs, which combine for a total change of $400,904. Contracted roadway maintenance and inflationary increases on utilities and materials are also reflected in the budgeted expenditures. These pressures have been offset, in part, by anticipated reductions in vehicle-related costs, specialized transit, and various administrative and other costs.

Inflationary pressure in materials, purchased services and utilities has been reflected in the forecast period. Additional investment for Emerald Ash Borer, the assumption of illumination from local municipalities and further implementation of the One-Call legislation has also been incorporated in 2015 and 2016. Cost sharing with the local municipalities for bike lanes, storm sewers and drainage assessments are currently provided for in the budget with funding provided from reserve. The multi-year forecast currently reflects the introduction of base funding for these programs through a program change.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	26,954,646	27,608,648	28,410,836
+/-Savings /Revenue Adjustments			
Transportation Operations - Vehicle & Radio repair, maintenance & fuel	(97,549)	-	-
Niagara Specialized Transit (net)	(57,718)	-	-
+/- Other Adjustments			
Other (Admin., Materials, Purchased Services, etc.)	(37,870)	27,690	52,536
Niagara Regional Transit (net)	(13,000)	-	-
Illumination (assumption from Local Municipalities)	-	50,000	50,000
+/-Program Changes			
One-Call	150,000	50,000	-
CMMS (Mobile)	30,000		
Construction Administration (net of recovery from capital)	15,831	-	
Emerald Ash Borer	-	100,000	100,000
Grants for Local Municipalities (Storm Sewer, Drainage Assessment, Bike Lanes)	-	-	100,000
+/-Contractual Costs			
Personnel	400,904	461,369	443,371
Hired Equipment - Roadways	200,000	73,000	75,160
Utilities (incl. Electricity)	63,404	40,129	44,530
Current Year	**27,608,648**	**28,410,836**	**29,276,434**

Public Works (PW)

Public Works Levy: Capital Programs

The Public Works Levy capital program includes investment in both the Transportation network, as well as replacement of the Region's fleet. The 2014 Transportation capital program features the investment of $26,000,000 in road rehabilitation and $36,650,000 in improvements in structures such as bridges and culverts. The balance of the program provides for intersection and capacity improvements, as well as annual programs to sustain assets such as signals, illumination and guide rails. The largest investment is the additional $25,500,000 identified for the Burgoyne Bridge, which is a project delivered in partnership with the City of St.Catharines, the province and the federal government.

Project ID	Project Description	Gross Capital Request
Fleet		
ZSS1402	Vehicle & Equipment Replacement Program	2,673,000
Fleet Total		**2,673,000**
Transportation		
ZRC0236	Roads Rehabilitation (Rds Rehab) - St. Paul St. W. - Realignment & River Crossing from Ninth St. to Seventh St.	650,000
ZRC0634	Struc Rehab - Reece Bridge - Bridge Replacement over 20 Mile Creek (Structure 069205)	500,000
ZRC0803	Rds Rehab - Glendale Ave. reconstruction & widening from Jacobsen Ave. to Burleigh Hill	300,000
ZRC0812	Rds Rehab - Canboro Rd - Embankment stabilization @ Warner	750,000
ZRC0933	Capacity Improvement (Cpcty. Imprv.) - McLeod Rd widening 4 to 5 lane from Phase 2 - HEPC to Wilson Crescent	350,000
ZRC0934	Rds Rehab - Mountain Rd. reconstruction from Hill Side to King St.	1,000,000
ZRC0943	Rds Rehab - Portage Rd. reconstruction from Mountain Rd. to Stanley Ave.	2,100,000
ZRC0944	Struc Rehab - Burgoyne Bridge - Replacement over Hwy 406 & 12 Mile Creek (Structure 081220)	25,500,000
ZRC1003	Rds Rehab - Main St. reconstruction from Phase 2 Third St. to Henley	2,650,000
ZRC1012	Rds Rehab - Old Hwy 20 reconstruction from Lookout to Haist	4,000,000
ZRC1247	Struc Rehab - Ontario Power Generation Bridges - Replacement / bridge divesture over Gibson Lake (Structure 067205 & Structure 050215)	2,700,000
ZRC1346	Intersection Improvement (Int. Imprv.) - Regional Road 20 Between Industrial Park Road & South Grimsby Rd 6	750,000
ZRC1352	Rds Rehab - Lakeshore Rd. Phase 2 - reconstruction from Lakeport to Lake St.	3,200,000
ZRC1354	Rds Rehab - Lakeshore Rd. W. reconstruction from Third St. to Seventh St.	1,000,000
ZRC1356	Rds Rehab - St. David's Rd. operational Improvements & Bike Lanes from Merrittville Hwy to Hwy 406	3,500,000
ZRC1358	Struc Rehab - Main St. Bridge (Structure. 027220) - Painting over abandoned Welland Canal	5,800,000
ZRC1433	Annual - Development Related Projects	1,000,000
ZRC1434	Annual - Engineering for future projects	200,000
ZRC1435	Annual - Guide Rail Improvement Program	350,000
ZRC1436	Annual - Illumination Installation	300,000
ZRC1437	Annual - Major Culvert Replacement Program	50,000
ZRC1438	Annual - Miscellaneous Road Properties	200,000
ZRC1439	Annual - Railway Crossing Improvement	50,000
ZRC1440	Annual - Sign Processing Equipment	30,000
ZRC1441	Annual - Storm Sewer Program	400,000
ZRC1442	Roads Equipment Program - Equipment Replacement Upgrades	100,000
ZRC1443	Rds Rehab - Roads Resurfacing Program	5,100,000
ZRC1447	Rds Rehab - Pelham Rd. Phase 2 reconstruction from Effingham Rd. to Wessel Dr.	800,000
ZRC1448	Rds Rehab - York Rd. rehabilitation from RR55 to Airport	250,000
ZRC1453	Int. Imprv. - Falls Ave / Bender Intersection Improvements (Cost Sharing)	900,000
ZRC1460	Struc Rehab - Calton & Lakeshore Rd. Bridges over 8 Mi Crk & over 2 Mi Crk - New Structure / Rehab (Structures 083210 & 087230)	1,200,000
ZRC1462	Cpcty. Imprv. - Glendale Ave. Widening 2 to 4 lanes from Homer Rd. to Niagara on the Green Blvd.	500,000
ZRC1464	Int. Imprv. - Lundy's Lane @ Garner	800,000
ZRC1465	Rds Rehab - Taylor Rd. & Glendale Rd. (NOTL Outlet Centre)	700,000
ZRC1466	Struc Rehab - Structural Rehabilitation Program Engineering (Region wide)	200,000
ZRC1467	Struc Rehab - Glenridge Ave. Bridge Over CNR Tracks - Rehabilitation (Structure 050220)	750,000
ZRT1403	Annual - Traffic Signal Program (Signal Rehab 1.2M, New Signals 450K, Beacons 40K)	1,690,000
Transportation Total		**70,320,000**

Public Works (PW)

Public Works Levy: Performance Metrics

Transportation: Pavement condition

Preserving our municipal pavement infrastructure is critical for the viable transportation of people and goods. Preventative pavement maintenance and the timely reconstruction of roadways that have reached the end of their useful service life are important in preserving the value of our infrastructure investment. The Region's Pavement Management System (PMS) is consistent with the Ontario Ministry of Transportation Pavement Condition Rating Guidelines for Municipalities and guidelines and procedures recommended by the Ontario Good Roads Association. The Pavement Management System rates conditions on a scale of 0 to 100. The critical trigger for overlays and surface treatments is 60. Once a pavement reaches a condition level of 45, it is scheduled for reconstruction.

Year	Average Network Pavement Condition Index (PCI)
2002	79
2003	80
2001	78
2005	77
2006	77
2007	76
2008	75
2009	73
2010	72
2011	72
2012	72

Development Services: Applications

The Regional Policy Plan sets out Council's objectives and policies respecting growth management, resource protection, agricultural land preservation, infrastructure planning, and economic development. The Development Services Division plays a key role in implementing the Plan. The division provides a "one-window" Regional review bringing together comments related to engineering, planning and public health issues. The division also reviews municipal servicing applications filed with the Ministry of the Environment and private sewage system applications or inspections required under Part 8 of the Ontario Building Code

Open for Business	2010	2011	2012	2013
Development Applications	605	610	560	608
Private Sewage: Permits	215	244	195	215
Private Sewage: Inspections	155	182	185	119
MOE Transfer of Review	40	37	65	66
Total	1,105	1,073	1,005	1,008

Niagara Peninsula Conservation Authority (NPCA)

Board Overview

The Niagara Peninsula Conservation Authority's (NPCA) area of jurisdiction encompasses all of Niagara Region; 21 per cent of the City of Hamilton and 25 per cent of Haldimand County, encompassing two Great Lakes and covering an area of 2,424 sq. kilometers serving a population of approximately 500,000 people.

The Conservation Authority is governed by a 15 member board appointed by the member municipalities as follows:

Niagara Region – twelve members; City of Hamilton – two members; Haldimand County – one member. Board members collectively provide direction to the CAO through the consideration and adoption of the Conservation Authority goals and objectives, policies, operational plans and budgets. The chair and vice-chair comprise the executive committee. Members bring both an environmental and political perspective; provide budget guidance and corporate direction for our environmental program areas.

The Conservation Authorities Act defines the objects of an authority: 'to establish and undertake, in the area over which it has jurisdiction, a program designed to further the conservation, restoration, development and management of natural resources other than gas, oil, coal and minerals'.

The NPCA fulfills this mandate through its programs and by providing contracted services to area municipalities, and other provincial and federal agencies.

Lines of Business

The Conservation Authority's operational budget comprises of several lines of business driven by provincial mandate, local needs and initiatives, and contracted services.

These include:

- Corporate Services
- Development Services
- Resource Inventory & Environmental Monitoring
- Flood Protection Services
- Environmental Advisory Services
- Conservation Land Management
- Vehicles and Equipment
- Projects

Programs and services focus on fulfilling the Conservation Authority's core mandate: *to protect people and property.*

Strategic Planning Process

In the last year, the board continued with the development of the Strategic Plan, an organizational strategy to guide the Conservation Authority's future. A key part of this process involved the formation of 5 Working Groups made up of a balanced cross-section of watershed stakeholders, technical experts and the general public. These groups were tasked to consider and make recommendations on changes needed to create significant performance and operating improvement opportunities for the NPCA. With the process now in its final stage, the result will be a refocused NPCA that is aligned with the conservation and economic priorities of the public, key stakeholders, and the Board. This important step will guide the board's vision for a strengthened and renewed conservation authority. A number of internal changes have been made in an effort to deliver balanced regulatory services that recognize conservation and economic priorities can co-exist. Future operational plans will set priorities and determine the actions that need to be taken in order to achieve the key goals of the Conservation Authority's board over the coming years.

Niagara Peninsula Conservation Authority (NPCA)

NPCA: Supporting Council's Business Plan

Providing responsive, effective watershed management services to stakeholders is a primary goal of the NPCA. It's 55 year history reflects a commitent to ensuring a healthy and sustainable environment. This includes implementing a cooperative, team-driven approach to decision making and policy development that will benefit everyone through strong, collaborative interrelationships with our member municipalities and stakeholders.

Council's business plan aligns with the Conservation Authority's core program priorities and recognizes the value in investing in the environment reflecting the needs and interest of Niagara residents.

NPCA: Budget Summary (Gross $7,226,840, Net $6,757,214)

The 2014 budget request falls within guidance as set by Regional Council. As the Strategic Plan is implemented there may be some realignment of resources pending the final recommendations developed as a result of the Strategic Planning process which will be finalized by year end 2013. These recommendations will be executed within the approved allocated budget.

NPCA: Performance Metrics

NPCA will implement more streamlined development review and permit approvals process and look to adopt the use of the Region's iDarts system for improved efficiency. A long range business plan with a realignment of the budget process based on the core lines of business and key performance indicators will be addressed through the adoption of the Strategic Plan.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget	2016 Budget $
Financial Expenditures	7,046,729	7,226,840	7,421,965	7,622,358
Gross Expenditure	**7,046,729**	**7,226,840**	**7,421,965**	**7,622,358**
Other Revenue	(102,708)	(169,626)	(174,206)	(178,909)
Transfers from Reserves & Reserve Funds	(300,000)	(300,000)	(300,000)	(300,000)
Gross Revenue	**(402,708)**	**(469,626)**	**(474,206)**	**(478,909)**
Net Direct Expenditure before Indirect Allocation	**6,644,021**	**6,757,214**	**6,947,759**	**7,143,449**
Indirect Allocation	102,708	146,638	149,177	152,224
Debt Allocation		22,988	23,563	24,152
Net Indirect Allocation	**102,708**	**169,626**	**172,740**	**176,376**
Net Expenditure/(Revenue) after Indirect Allocation	**6,746,729**	**6,926,840**	**7,120,499**	**7,319,825**

*Includes in year budget adjustments

Niagara Regional Housing (NRH)

Board Overview

Niagara Regional Housing (NRH) has been the administrator of affordable housing for Niagara Region since 2002. Governed by a community-based Board of Directors, NRH provides and advocates for quality affordable housing in Niagara through a combination of legislated programs and services including:

- Ownership and property/asset management of a 2,758 unit rental portfolio valued at over $200 million
- Funding and legislative oversight of a further 4,000 units owned by non-profit and co-operative housing providers
- System management, including funding, of 800 rent supplement units under contracts with private landlords

NRH is continuing five temporary programs in the 2014 budget that are entirely funded by the provincial and federal governments. These off-the-levy programs are:

- Niagara Renovates - home renovation program for private homeowners
- Housing First Pilot – offers homeless households assistance in finding and keeping a home
- Welcome Home Niagara - down-payment assistance for the purchase of a new home
- New affordable housing development – construction of a 65 unit building for seniors
- Housing Allowance - temporary relief to applicants on the Affordable Housing Waiting list

Through these programs, NRH is able to offer a continuum of affordable housing options to more than 30,000 people. All programs are delivered within a legislated environment and in particular, the Housing Services Act (HSA), which is provincial legislation applicable to affordable housing throughout Ontario.

NRH: Supporting Council Business

As administrator of affordable housing for Niagara Region, NRH's Business and Strategic Plans are strongly aligned with the Region's to provide responsive, effective services in Niagara. NRH's mission is "to expand opportunities that make affordable housing an integral part of building healthy and sustainable communities in Niagara".

In order to address the many affordable housing needs across the region, NRH relies on a wide range of partnerships with all orders of government, community agencies and private developers to find innovative housing solutions and to support strong, healthy affordable housing communities.

Niagara Regional Housing (NRH)

NRH: Budget Summary (Gross $52,602,747, Net $26,982,923)

The NRH Board of Directors approved the 2014 Operating and Capital budgets within the context of balancing fiscal restraint with legislative requirements. NRH's operating budget is a 5.47 per cent increase which consists of two components:

- 2.76 per cent exceptional costs related to the 2013 -2016 property tax assessment
- 2.7 per cent inflationary pressures for operating accounts within the guidance set by Regional Council

Property Tax Reassessment

The Municipal Property Assessment Commission re-assessed the value of the NRH portfolio, as well as the buildings owned by legislated non-profit and co-operative housing providers who receive subsidy from NRH. This increase of $707,366 for 2014 could not be absorbed within the guidance set by Council and has been requested as an exceptional expense outside of guidance.

Inflationary Increases

This full guidance amount was applied to the operating budget for the legislated programs and includes increases for taxes, utilities, legislated subsidy and repairs.

The majority of NRH's Operating Budget is non-discretionary expenses with lesser amounts for discretionary and Off-Levy programs:

- 82.8 per cent of the budget is non-discretionary items such as legislated subsidy, utilities, taxes, maintenance repairs, mortgages etc.
- 9.8 per cent is discretionary items such as salaries, office overhead, Board expenses and community support programs
- 7.4 per cent for the Off-Levy programs are financed by the federal and provincial governments

With such a high proportion of the NRH budget dedicated to non-discretionary items there is limited opportunity to absorb exceptional expenditures.

NRH: Operating Budget (by Operating Expenditure)

Niagara Regional Housing (NRH)

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	4,060,166	4,461,036	4,554,004	4,666,417
Administrative Expenses	247,224	247,224	184,641	187,088
Materials, Supplies & Utilities	5,233,134	5,536,937	5,852,644	6,152,357
Repairs & Maintenance	3,761,133	4,015,868	4,124,283	4,235,625
Purch. Serv. & Other Operating Exp.	4,517,003	5,041,522	5,244,000	5,517,990
Financial Expenditures	3,161,253	2,901,255	2,736,975	2,523,297
Capital Equipment & Renovations	30,000	30,000	30,000	30,000
Housing Provider Subsidy & Supplements	28,649,595	29,223,771	27,954,392	28,037,435
Transfers to Reserves & Reserve Funds	415,200	581,974	968,256	832,216
Allocations Between Departments	531,832	563,160	573,532	584,738
Gross Expenditure	**50,606,540**	**52,602,747**	**52,222,727**	**52,767,163**
Ontario/Canada Grants	(2,364,900)	(2,217,440)	(675,921)	-
Other Revenue	(22,563,041)	(23,313,384)	(23,302,429)	(23,461,441)
Transfers from Reserves & Reserve Funds	(95,000)	(89,000)	(24,000)	(24,000)
Gross Revenue	**(25,022,941)**	**(25,619,824)**	**(24,002,350)**	**(23,485,441)**
Net Direct Expenditure before Indirect Allocation	**25,583,599**	**26,982,923**	**28,220,377**	**29,281,722**
Indirect Allocation	1,123,879	1,126,168	1,182,047	1,230,927
Debt Allocation	2,176,265	2,364,460	2,423,572	2,484,162
Net Indirect Allocation	**3,300,144**	**3,490,628**	**3,605,619**	**3,715,089**
Net Expnditure/(Revenue) after Indirect Allocation	**28,883,743**	**30,473,551**	**31,825,996**	**32,996,811**

*Includes in year budget adjustments

NRH: Summary of Budget Drivers

NRH is requesting $26,982,923 (51.3 per cent) in funding from Niagara Region. NRH's other sources of revenue include: $9,286,296 (17.7 per cent) from the Federal Government and $2,965,840 (5.6 per cent) from the Provincial Government. The remaining $13,367,688 (25.4 per cent) is revenue received from tenants. These numbers do not include indirect allocations.

Budget Driver Description	2014 Budget	2015 Budget $	2016 Budget $
Previous Year	25,583,599	26,982,923	28,220,377
+/-Savings /Revenue Adjustments	-	-	-
+/- Other Adjustments			
Property Tax Reassessments over guidance	707,366		
+/-Program Changes			
Net-New Self-sustaining development & Employees	96,469		
+/-Contractual Costs	**595,489**	**1,237,454**	**1,061,345**
Current Year	**26,982,923**	**28,220,377**	**29,281,722**

NRH: Capital Program

Owned Units

NRH owns and manages 2,758 units in apartment buildings, townhouses and detached homes across Niagara. The 6,500 tenants who live in these units pay rent based on 30 per cent of gross household income. The NRH portfolio, which was built between 1950 and 1980, faces an increasing need for capital replacements. The 2014 capital budget will extend the life of buildings and components through the replacement of roofs, elevators, and upgrades to parking lots and walkways. Tenants' units will be improved through the replacement of kitchens and bathrooms which have reached the end of their life expectancy.

Funding for the 2014 capital budget of $4,480,172 is shared between the Federal Government ($1,033,676 or 23.1per cent), NRH Reserve Fund ($516,974 or 11.5 per cent) and debenture financing ($2,929,522 or 65.4 per cent).

Project ID	Project Description	Gross Capital Request
ZRH1402	Building Capital	2,098,157
ZRH1403	Emergency Capital	200,000
ZRH1404	Grounds Capital	721,600
ZRH1405	Units Capital	1,460,415
Total		**4,480,172**

Niagara Regional Police Service (NRPS)

Board Overview

The Niagara Regional Police Service is dedicated to serving and protecting residents and visitors with the Regional Municipality of Niagara.

In partnership with the community, we shall provide quality policing services with integrity, diligence and sensitivity.

NRPS: Budget Summary (Gross $146,039,810, Net $130,650,605)

The Niagara Regional Police Service operating budget is prepared with the objective of providing a realistic estimate of the cost of providing mandated policing services within an affordable and sustainable tax levy. The budget preparation process is conducted in consideration of Regional objectives, with efforts to balance the information requirements of the Region as outlined in the Municipal Act with the accountabilities of the Police Services Board under the Police Service Act.

The foundation of the 2014 budget is consistent with prior years; the Service must meet adequacy standards while providing efficient and effective policing.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	123,947,192	130,232,057	132,761,646	135,967,048
Administrative Expenses	1,692,475	1,672,821	1,473,563	1,499,692
Materials, Supplies & Utilities	5,002,274	4,934,450	5,035,841	5,139,491
Repairs & Maintenance	2,184,200	2,267,649	2,301,765	2,336,292
Purch. Serv. & Other Operating Exp.	3,106,145	2,841,281	2,883,900	2,927,159
Financial Expenditures	4,000	4,000	4,000	4,000
Capital Equipment & Renovations	542,800	425,000	433,500	442,170
Transfers to Reserves & Reserve Funds	4,749,664	4,782,715	6,220,047	7,132,379
Allocations Between Departments	(1,084,930)	(1,120,163)	(1,141,987)	(1,164,299)
Gross Expenditure	**140,143,820**	**146,039,810**	**149,972,275**	**154,283,932**
Ontario/Canada Grants	(5,152,823)	(5,971,132)	(6,883,464)	(7,795,796)
Fees & Service Charges	(6,538,767)	(7,023,988)	(7,023,988)	(7,023,988)
Other Revenue	(1,750,946)	(1,694,085)	(1,694,085)	(1,694,085)
Transfers from Reserves & Reserve Funds	(575,000)	(700,000)	(475,000)	(475,000)
Gross Revenue	**(14,017,536)**	**(15,389,205)**	**(16,076,537)**	**(16,988,869)**
Net Direct Expenditure before Indirect Allocation	**126,126,284**	**130,650,605**	**133,895,738**	**137,295,063**
Indirect Allocation	5,251,852	5,344,460	5,653,226	5,817,110
Debt Allocation	6,096,071	6,253,840	6,411,689	6,573,484
Net Indirect Allocation	**11,347,923**	**11,598,300**	**12,064,915**	**12,390,594**
Net Expenditure/(Revenue) after Indirect Allocation	**137,474,207**	**142,248,905**	**145,960,653**	**149,685,657**

*Includes in year budget adjustments

Niagara Regional Police Service (NRPS)

NRPS: Summary of Budget Drivers

The Service faced a number of budget pressures that impacted the 2014 Budget. With a significant portion of the total budget consisting of salaries and benefits, the Service's budget is characterized as having a high non-discretionary composition. Since all but three positions of the total Authorized Strength are covered by one of the three collective agreements, the Service is subject to the complexities of the provincial police collective bargaining environment.

Understanding the significant impact of the personnel costs the Service took a number of steps to mitigate the 2014 budget impact and meet recommended guidance. They included detailed program reviews, rationalization and reduction of discretionary expenditures, continued restriction of backfill for civilians to operationally essential positions and reprioritization of resources.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	126,126,284	130,650,605	133,888,806
+/-Savings/Revenue Adjustments	(1,005,904)	709,364	187,531
+/-Other Adjustments	(622,612)	-	-
+/-Program Changes	(290,426)	-	-
+/-Contractual Costs	6,443,263	2,535,769	3,211,794
Current Year	130,650,605	133,895,738	137,295,063

NRPS: Capital Program

Project ID	Project Description	Gross Capital Request
ZP01406	911 Generation	250,000
ZP01408	Capital Asset Acquisitions	126,577
ZP01407	Conducted Energy Weapons Launch	670,000
ZP01409	IT Equipment Replacement	900,000
ZP01410	Network Infrastructure	100,000
ZP01401	Vehicles	1,400,000
Total		3,446,577

Court Services (POA)

Board Overview

In January 2001, the Province of Ontario, as part of its strategy to realign provincial and municipal roles in the delivery of public services, transferred the responsibility for the administration and prosecution of Provincial Offences to Niagara Region.

Niagara Region, acting as agent on behalf of the 12 local area municipalities, has established its own administration and courtrooms to deal with charges laid under the Provincial Offences Act (POA).

In administering the Provincial Offences Court, Niagara's staff members are responsible for setting trials, prosecuting certain provincial offence matters, recording court proceedings, and receiving fine payments resulting from charges laid by the various police forces and enforcement agencies operating within Niagara. The Region upholds the decisions of the court by pursuing enforcement of unpaid provincial offences fines.

The Provincial Offences Act (POA) is a procedural law for administering and prosecuting Provincial Offences including those committed under the Highway Traffic Act, the Compulsory Automobile Insurance Act, the Trespass to Property Act, the Liquor License Act and other provincial legislation, municipal by-laws and minor federal offences. The POA governs all aspects of the legal process, from serving an offence notice to an accused person to conducting trials including sentencing and enforcement of court decisions.

Court Services (POA): Supporting Council Business

Niagara Region's Court Services are focused on the following priorities in support of the 2012 – 2015 Council Business Plan:

Responsive Region

- Technological solutions to enhance customer service and reduce costs including e-ticketing, video conferencing, and electronic disclosure.
- Expediting the resolution of cases by offering early resolution meetings and reducing time to trial.
- More aggressive enforcement of delinquent fines through the tax roll.

Council Business Plan Goal – "Environmentally Responsible"

- "Going Green Champions"

Court Services (POA)

Court Services (POA): Budget Summary (Gross $7,170,094, Net ($1,865,113))

The proposed 2014 budget distributes $1,025,000 to the area municipalities and the Region, with gross expenditures of $8,010,207, against total revenues of $9,035,207. This represents an increase of 2.4 per cent in gross revenue ($209,604) and 2.4 percent in gross expenditures ($184,604) over the 2013 budget. An increase in revenue is anticipated due largely to the increase in charges before the court and the enforcement of unpaid fines through adding to tax roll. The overall increase in expenditures is a result of increases in payroll, enforcement, adjudication, building rent and indirect allocation costs and is offset by decreases in expenditures such as replacement pay, business forms, interpreter costs and ticket data capture.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs	1,973,344	2,115,482	2,173,197	2,227,330
Administrative Expenses	42,722	42,929	43,294	38,669
Materials, Supplies & Utilities	84,582	77,130	73,909	69,673
Purch. Serv. & Other Operating Exp.	3,800,547	3,751,416	3,761,468	3,792,190
Financial Expenditures	120,000	150,000	175,000	200,000
Capital Equipment & Renovations	28,344	21,982	22,611	22,260
Transfers to Reserves & Reserve Funds	1,000,000	1,000,000	1,000,000	1,000,000
Allocations Between Departments	10,958	11,155	11,161	11,167
Gross Expenditure	**7,060,497**	**7,170,094**	**7,260,640**	**7,361,289**
Other Revenue	(8,825,603)	9,035,207)	(9,165,194)	(9,283,516)
Gross Revenue	**(8,825,603)**	**(9,035,207)**	**(9,165,194)**	**(9,283,516)**
Net Direct Expenditure before Indirect Allocation	**(1,765,106)**	**(1,865,113)**	**(1,904,554)**	**(1,922,227)**
Indirect Allocation	737,192	822,867	864,366	884,393
Debt Allocation	27,914	17,246	17,677	18,119
Net Indirect Allocation	**765,106**	**840,113**	**882,043**	**902,512**
Net Expenditure/(Revenue) after Indirect Allocation	**(1,000,000)**	**(1,025,000)**	**(1,022,511)**	**(1,019,715)**

*Includes in year budget adjustments

Court Services (POA): Summary of Budget Drivers

Significant drivers for the 2014 Court Services budget include double digit volume increases across most of the major service areas. This includes customers served, tickets filed with the court, early resolution requests and courtroom utilization hours.

Increased courtroom hours are driving the adjudication costs higher and as a result, additional courts are scheduled in the Fort Erie satellite court which increases our facility costs.

Increases to our service requests and demands places pressure on budget, staffing and customer service levels. This then drives our need for technological improvements and innovations to maintain and enhance our capacity to meet the needs of our clients.

On a positive note, and to offset some of our increases in the shorter term, we will be able to achieve cost savings by implementing e-ticketing and video conferencing. Consolidating our operations into two facilities will also assist with cost savings in the longer term.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	(1,765,106)	(1,865,113)	(1,904,554)
+/-Savings/Revenue Adjustments			
Victim Fine Surcharge	(150,000)	-	-
Recovered Delinquent Revenue	(697,849)	-	-
General Revenue	489,567	(129,987)	(118,322)
Part III Prosecution	(15,000)	-	-
+/-Other Adjustments			
Adjudication	70,000	-	-
Distribution to Area Municipalities	25,000	-	-
Legal Expenses	26,825	-	-
Collection Charges	30,000	25,000	25,000
Miscellaneous	(20,688)	7,831	75,649
+/-Program Changes			
Project Specialist	80,778	-	-
+/-Contractual Costs			
Personnel	61,360	57,715	54,133
Current Year	**(1,865,113)**	**(1,904,554)**	**(1,922,227)**

General Government (GG)

Department Overview

The general government budget section covers areas such as Municipal property assessment costs, 911 emergency phone services, general financial expenses, retiree and employees receiving long-term disability benefits as well as capital financing; capital levy reserve contribution and debt charges. These are described as follows:

Municipal Property Assessment Costs - Since 1998 the Region has had the responsibility to fund costs associated with Property Assessment Services. These services are directly provided by the Municipal Property Assessment Corporation (MPAC).

911 Emergency Phone Services - The Region has contracted with the Niagara Regional Police Services Board to meet its responsibilities to provide 911 emergency telephone services to the regional community.

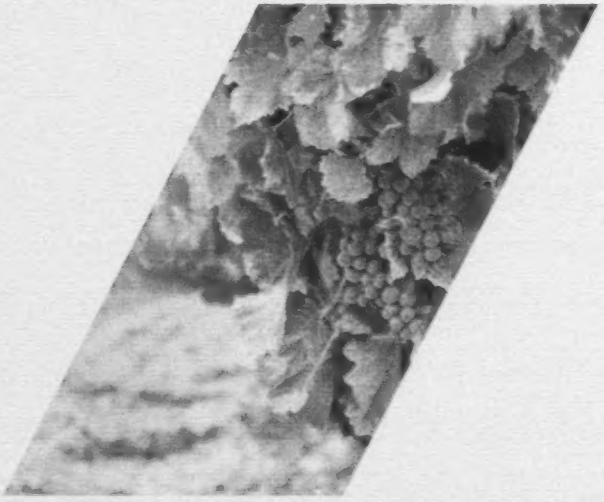
General Expenditures - General Financial Expenditures covers non-departmental specific items such as sick leave payouts, surplus property, the Regional beach at Wainfleet and strategic reserve transfers.

Retiree and Long-term Disability Employee Benefits - The Region supports benefits for retired employees as well as employees receiving Long-term Disability.

Capital Financing - The Region relies on multiple sources of financing to fund its capital program, this section of the budget covers both capital levy reserve contributions and debt charges. An annual operating contribution to the capital levy reserve is budgeted to help fund the capital program. Debt charges for departments and boards are consolidated corporately before indirect allocations; they represent principal and interest payments related to debt held for capital projects.

Niagara Health System Facility and other Support - This section of the budget includes a contribution to the Niagara Health System's New Cancer Centre in St. Catharines, as well as grants for related to youth retention, Pan Am Games, Niagara 1812 Bi-Centennial and development charge grant programs.

Responsive Region Improvement Team (RRIT) - The mandate of the RRIT is to identify, prioritize, and conduct program, business function, and service delivery reviews that assess the potential for and benefits of process improvements and identify cost savings, alternative service delivery options, business or function reduction or cessation, areas that may require reinvestment, new non-tax revenue, and associated performance measures.



General Government (GG)

GG: Supporting Council Business

Responsive Region

- The establishment of the RRIT Team is a direct response to Council's number one rated priority Action in the draft 2012 – 2015 Council Business Plan, under the Strategic Theme of Responsive Region - "identify a cycle of key program review in areas of high return on investment or service improvement to increase value to those we serve including service level, improved efficiency and effectiveness including enhanced metrics, staffing levels and alternative service delivery"
- Annual reserve contribution for improvement initiatives

Open for Business

- Grants have been included in the 2014 budget for industrial and nonprofit organizations development charges, Pam Am Games, Niagara Health Systems, Council Initiatives and the Niagara 1812 Bi-Centennial celebrations

General Government (GG)

GG: Budget Summary (Gross $70,495,998, Net $69,018,998)

The 2014 General Government net budget of $69,018,998 represents a $1,584,293 (2.35 per cent) increase from 2013. This budget includes two business cases related to the grant programs for Industrial and nonprofit development charges, $650,000 and $150,000 respectively. The Industrial grant program has been offset by a one-time transfer from the contingency reserve of $650,000. In addition to the development charge grant programs, budget dollars have been included for the Pan Am Games, Niagara Health Systems, Niagara 1812 Bi-Centennial celebrations and the newly endorsed Council initiatives program.

The majority of the budget relates to capital financing, including both capital levy reserve contributions and debt charges. An annual operating contribution of $9,498,889 to the capital levy reserve is budgeted to help fund the capital program. In 2014 this amount increased by $249,727 or 2.7 per cent from 2013. The budget also includes a budgeted transfer to the capital levy reserve of $14,903,822, which is identified as a funding placeholder for committed but unissued debt. In addition to these items this section also houses debt charges for departments and boards; principal and interest payments related to debt held for capital projects total $33,889,444. The debt charges are consolidated corporately before indirect allocations. These three capital financing sources represent $58,292,155 (2013 - $56,818,191) of the general government budget, which is an increase of $1,473,964 or 2.69 per cent.

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Personnel Costs (Includes Responsive Region Improvement Team)	1,130,236	982,798	1,148,697	1,164,787
Administrative Expenses	119,384	144,173	146,288	148,415
Materials, Supplies & Utilities	29,400	18,554	18,649	18,690
Repairs & Maintenance	52,900	56,000	57,300	95,606
Purch. Serv. & Other Operating Exp. (Includes Municipal Property Assessment)	6,284,054	6,114,749	6,171,154	6,228,099
Financial Expenditures	37,294,940	35,134,444	35,031,681	35,815,098
Capital Equipment & Renovations	800	822	844	867
Transfers to Reserves & Reserve Funds	22,100,001	26,714,461	27,265,030	27,911,876
Allocations Between Departments (Includes 911 Emergency Phone Service)	1,241,290	1,329,997	1,356,297	1,381,681
Gross Expenditure	**68,253,005**	**70,495,998**	**71,195,940**	**72,765,119**
Fees & Service Charges	0	0	0	0
Other Revenue	(453,300)	(462,000)	(383,600)	(385,232)
Transfers from Reserves & Reserve Funds	(365,000)	(1,015,000)	(265,000)	(265,000)
Gross Revenue	**(818,300)**	**(1,477,000)**	**(648,600)**	**(650,232)**
Expenditure before Indirect Allocation	**67,434,705**	**69,018,998**	**70,547,340**	**72,114,887**
Indirect Allocation	16,053	25,887	27,157	28,168
Debt Allocation	(47,539,092)	(48,762,773)	(49,983,346)	(51,234,432)
Net Indirect Allocation	**(47,523,039)**	**(48,736,886)**	**(49,956,189)**	**(51,206,264)**
Net Expenditure/(Revenue) after Indirect Allocation	**19,911,666**	**20,282,112**	**20,591,151**	**20,908,623**

*Includes in year budget adjustments

General Government (GG)

GG: Summary of Budget Drivers

The net increase of $1,584,293 in the general government budget is mainly driven by the increase in capital financing cost, $1,473,964. In addition, a savings of $150,000 was identified in corporate payroll related costs, which represents corporately consolidated savings. The budget also includes two business cases related to the grant programs for Industrial and nonprofit development charges, $650,000 and $150,000 respectively. The Industrial grant program has been offset by a one-time transfer from the contingency reserve of $650,000.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	67,434,705	69,018,998	70,547,340
+/-Savings/Revenue Adjustments			
Corporate payroll related costs reduction	(150,000)	150,000	-
+/-Other Adjustments			
Sick leave costs	(50,000)	-	-
Capital Financing (Debt Charges & Capital Levy)	1,473,964	1,477,806	1,515,263
Pan Am Games Grant	-	-	(85,000)
+/-Program Changes			
Development Charge (DC) Industrial and Non-Profit Grant Programs	800,000	-	-
Fund DC Industrial Grant Program from Contingency Reserve	(650,000)	-	-
Council Initiatives	200,000	(200,000)	-
+/-Contractual Costs			
Municipal Property Assessment Corporation Costs	(169,805)	55,995	56,527
PRIT	14,758	7,100	5,587
Other	115,376	37,441	75,170
Current Year	**69,018,998**	**70,547,340**	**72,114,887**

General Government: Net Revenue (NR)

Department Overview

The net revenue budget represents the expenditure relating to tax revenue such as payments in lieu, write-offs, rebates, supplemental taxes, taxpayer relief and investment income.

NR: Supporting Council Business

Responsive Region

The Taxpayer Relief Reserve was created to offset taxes or future one-time spending requirements at the discretion of Council. An annual contribution of $1,725,000 has been made in 2012, 2013 and 2014 to offset taxes. This reserve is depleted as of the end of 2014.

NR: Budget Summary (Gross $7,492,271, Net ($23,729,681))

Object of Expenditure Description	2013* Budget $	2014 Budget $	2015 Budget $	2016 Budget $
Purch. Serv. & Other Operating Exp.	-	-	-	-
Financial Expenditures	5,875,000	5,892,271	5,892,271	5,892,271
Transfers to Reserves & Reserve Funds	1,000,000	1,600,000	2,200,000	2,800,000
Gross Expenditure	**6,875,000**	**7,492,271**	**8,092,271**	**8,692,271**
Taxation - Levy	(15,837,206)	(16,221,932)	(16,221,932)	(16,221,932)
Other Revenue	(11,832,333)	(12,419,795)	(12,430,810)	(12,442,211)
Transfers from Reserves & Reserve Funds	(2,617,667)	(2,580,225)	(775,419)	(649,700)
Gross Revenue	**(30,287,206)**	**(31,221,952)**	**(29,428,161)**	**(29,313,843)**
Net Indirect Allocation	-	-	-	-
Net Expenditure/(Revenue) after Indirect Allocation	**(23,412,206)**	**(23,729,681)**	**(21,335,890)**	**(20,621,572)**

*Includes in year budget adjustments

NR: Summary of Budget Drivers

The 2014 budget is $317,475 or 1.36 per cent higher than the 2013 budget as a result of an increase in investment income which is offset with a transfer to reserves, to be used to fund the interest allocation to rate and deferred revenue reserve funds. In addition the budget includes an increase in payment in lieu revenues based on previous year actual receipts.

Budget Driver Description	2014 Budget $	2015 Budget $	2016 Budget $
Previous Year	(23,412,206)	(23,729,681)	(21,335,890)
+/-Savings/Revenue Adjustments	-	-	-
+/-Other Adjustments	-	-	-
+/-Program Changes	-	1,724,900	-
+/-Contractual Costs	(317,475)	668,891	714,318
Current Year	(23,729,681)	(21,335,890)	(20,621,572)

Twenty14

Appendix

Appendix

Explanation of Object of Expenditure

Expenditures

Personnel Costs - includes all salaries, benefits and personnel related allowances (meals, clothing, training, etc).

Administrative Expenses - includes some allowances (car, mileage, etc.), memberships, training and related expenses and other miscellaneous expenses.

Materials, Supplies and Utilities - includes costs for; chemical, medical and office supplies, small equipment, waste management supplies, and all utilities.

Repairs & Maintenance - includes all costs to repair or maintain equipment, property and vehicles.

Purchased Services and Other Operating Expenses - includes costs for audit, advertising, consulting, insurance, leases, contracted services, Provincial Offenses Act (POA) expenses and other expenses.

Social Assistance - costs include all Ontario Works allowances and benefits program costs.

Financial Expenditures - includes all interest charges, principal debt payments, tax write-offs, and bad debt expense. The debt related charges included in this section are allocated to departments though the chargeback/recovery process.

Capital Equipment and Renovation - costs include all capital expenditures processed through the operating statement.

Niagara Regional Housing (NRH) Provider Subsidy and Supplements - includes all rent supplements and the use of all housing related subsidies.

Transfer to Reserves - includes all transfers of funds in the current year from the operating program to a reserve. At a corporate level the net of the transfers to reserves and the transfers from reserves represents our total contribution to reserves or draw on reserves in the year.

Allocations Between Departments - includes all direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate. The pre-established rate is intended to recover the costs incurred by the service provider (time and material).

Allocations Within Departments - includes all costs for shared services that are allocated between divisions internal to their department.

Allocations to Capital Program - includes all eligible costs recorded and managed in the operating program allocated to the capital program.

Indirect Allocation - includes all costs that are not directly traceable to a specific program or department (i.e. HR, finance, legal, IT, properties, print shop and communications). Indirect costs are common resources shared by several programs and services that require an allocation to determine full cost of the program or service.

Debt Allocation - includes allocations of all debt charges incurred to programs and services based on projects the debt is issued to fund.

Appendix

Revenues

Taxation – Levy - includes all revenues received from area municipalities including payment-in-lieu and supplemental. It also includes power dams revenue.

Taxation – Rate - includes all funds received to support waste management, water and wastewater operations.

Ontario/Canada Grants - includes all funds received from the provincial and federal governments.

Fees and Services Charges - includes shared services revenue (without shared services agreement), licenses, permits and approvals, and fees and service charges on the User Fee By-Law such as child care fees, health fees, police fees (i.e. accident reports, etc), seniors homes fees (i.e. long-term care accommodations fees), road fees and other miscellaneous fees (i.e. zoning).

Other Revenue - includes shared services revenue (with shared services agreement), investment income, POA revenue, recycling revenue, NRH revenue and other revenue.

Transfers from Reserves - includes all transfers of funds in the current year to the operating program from a reserve. At a corporate level the net of the transfers from reserves and the transfers to reserves represents our total contribution to reserves or draw on reserves in the year.

Appendix

Financial Policies and Guidelines

The Niagara Region follows the following financial policies and guidelines:

Accounts Receivable: All monies owing to Niagara Region will be collected as they become due and deposited as soon as is practical.

Affordability Guidance: Niagara Region will follow the methodology as outlined in this policy to establish budget guidance to support Council's Business Plan.

Investment Policy: The purpose of this policy is to establish procedures and practices designed to maximize the use of funds held in Niagara Region accounts through a program of term investments.

Capital Asset Management: This policy outlines standards and guidelines for the processes of Capital Asset Management. Capital Asset Management can be defined as the activities related to program planning, financing and administration of resources for the acquisition, development or construction of tangible capital assets of the Region. It also includes the integration of operating and capital budgets by identifying future financial resources to be allocated from operating funds to operate and maintain these tangible capital assets. This policy also outlines standards and guidelines for identifying, measuring and recognizing expenditures as tangible capital assets in order to facilitate appropriate financial presentation and disclosure.

Cost Allocation: This policy outlines principles and guidelines for the processes of cost allocation. Cost allocation can be defined as attributing a cost pool to several cost objects (e.g. job, department, cost centre, program or beneficial recipient) using a driver that best measures a causal or beneficial relationship between the cost pool and the cost object.

Developer's Deposits: In order to ensure that the Corporation has adequate security for the completion of certain works, deposits in the form of cash or letters of credit may be requested by the Corporation.

Donations - Charitable C3-D05 Tax Rebates for Charitable Organizations By-Law: Due to the current trend of funding cutbacks and no tax increases, the Region is not always able to provide sufficient funds for worthwhile projects. The Region will become more reliant on donations from individuals, groups, organizations and businesses to carry out projects that would otherwise be deferred until funding becomes available. The Region is able to accept donations and provide "official tax receipt for income tax purposes" as prescribed by Canada Revenue Agency, therefore it is necessary to establish a procedure for handling donations.

Expenses - Reimbursement of: It is corporate policy to reimburse employees of the region for expenses incurred while engaged on authorized Regional business. The Region values continuous learning and self-improvement and strives to promote a culture supportive of these goals. Such expenses must be reasonable in the circumstances and must be reflective of the Regional Ethics Policy.

Financing Lease Policies and Goals: Regional Council has the authority under subsection 210.1 of the Municipal Act to enter into an agreement for the provision of municipal capital facilities. Agreements under this section may include financing leases. As Regional Council recognizes that there are inherent risks associated with financing leases, compliance with this policy will ensure that the necessary due diligence is undertaken by staff in the review of all financing lease agreements and that Regional Council is provided full disclosure on the impacts of these leases prior to entering into any agreement for the provision of municipal capital facilities.

Petty Cash: To establish a procedure for all Regional Petty Cash funds including Senior Citizens Trust Petty Cash funds.

Property Valuation Studies - Participation With Area Municipalities: The Regional Municipality of Niagara wishes to partner with Area Municipalities in the conduct of Property Valuation Studies, where a successful defence of a Property Assessment Appeal will result in additional tax benefit to the Region.

Purchasing Card Purchasing By-Law: To comply with the purchasing By-Law and ensure the most cost-effective methods are used to purchase goods and services for all Regional operations and for the disposition of goods according to Regional needs.

Appendix

Financial Policies and Guidelines Cont'd

Release of Trust Funds of Deceased Residents: To ensure that Regional staff are aware of the documents and information required prior to the release of funds held in trust for a deceased resident of one of the Homes for the Aged operated by the Region. These requirements differ depending on whether the deceased left a Will or not.

Securities, Care and Custody of: When Regional Council has approved a form of security pursuant to an agreement with a third party such security will be governed by the procedures outlined herein:

- to ensure forms of security are in the proper format and content is acceptable
- to ensure the physical security of all forms of security
- to ensure the forms of security are kept current

Surplus-Deficit Policy: Niagara Region will address/allocate annual surplus/deficits within the guidelines established in this policy (focusing on allocating surplus to areas that have been identified at risk of being underfunded).

Tax Rebates for Charitable Organizations: The purpose of this policy is to provide tax rebates:

- to eligible charities occupying commercial or industrial property that were previously exempt from paying the Business Occupancy Tax (BOT)
- to organizations occupying residential property as defined under section 325 (1) of the Municipal Act, 2001
- to organizations as defined under section 6 of the Assessment Act

This policy recognizes that the Fair Municipal Finance Act, 1997 may have impacts on the amount of property taxes such organizations are required to pay, either directly or indirectly, and provides relief in the form of tax rebates subject to certain conditions as set out in the policy.

Variance Analysis and Forecasting: Due to successive years of expenditure restraint it has been necessary for all departments to perform more comprehensive year-to-date variance analysis and forecasting of expected year end operating results. Variance analysis and forecasting measures ensure that significant departures from plans are detected early enough to take corrective action to avoid a deficit by year end.

This policy summarizes desirable practices, many of which are already in effect, in order to provide guidance for variance analysis and forecasting and to clarify reporting procedures.

Operating Budget Adjustment Process: This process provides standards and guidelines for Operating Budget Adjustments. The operating budget can be defined as activities related to the current year activities of programs and services. This also includes any changes associated with the Full Time Equivalents (FTE).

Reserve and Reserve Funds Policy: The purpose of this policy is to formalize guidelines in order to effectively manage Niagara Region reserve and reserve funds, ensuring adequate reserves are held for both planned and unexpected future expenditures, which will promote affordability and sustainability.

Prepaid Expenditure: The purpose of this policy is to establish criteria and procedures on reflecting costs as prepaid expenditures and when to bring costs into current expense.

Twenty14

Niagara Region Budget Summary

Niagara Region

Niagara Region Printing Services – Tuesday, Jan. 14, 2014